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NEWS SUMMARY

GENERAL

NEC urged to drop militant

The Prime Minister has intervened in the Labour Party row over the selection of Mr. Andy Bevan, an avowed Trotskyite, as National Youth Officer, by urging the National Executive Committee to reconsider its decision.

The NEC yesterday agreed to postpone ratifying the move until December because some Ministers and trade union members were absent. But in the meantime Mr. Bevan's appointment stands.

Many Ministers and moderates on the NEC are increasingly worried about the effect that Mr. Bevan, a member of the Militant group, could have on the Labour Party, whose agents have threatened a policy of non-co-operation if the choice is confirmed. The prospects of the decision being overturned depend on how much pressure Mr. Callaghan can exert on the NEC in the next few weeks. Back Page

U.K. gives new Rhodesia pledge

New British proposals, understood to include a much firmer commitment by Britain to March 1978, as Rhodesia's ultimate independence date, are being considered by the African Nationalist Patriotic Front. The plans were given to them in Geneva by Mr. Ivor Richard, the conference chairman, who return from talks in London with Mr. Anthony Crosland, the Foreign Secretary. Back Page

50 die in crash

There were no survivors after an Olympic Airways Japanese-made airliner crashed in Northern Greece, on an internal flight, with 46 passengers and a crew of four. Two Britons were aboard, including an official of Summit Policies Insurance, on the way to Larissa to investigate another accident.

André Malraux

André Malraux, the French writer and Gaullist Minister of Culture, whose life and books mirrored the great ideological struggles of this century, died in Paris, aged 75. Page 4

Slater's hearing

Seven days have been set aside from January 5 for the full hearing of the extradition proceedings brought by the Singapore Government against Mr. Jim Slater and Mr. Richard Tarling, financiers. Page 13

Wreckage found

The trawler Carrig Una and her ...man crew were feared lost after hitting a reef off the north-west coast of Ireland near where her trawler went down with the loss of six men in January this year. Both vessels came from the tiny Co. Donegal fishing community of Burtonport. A helicopter search found wreckage and a liferaft.

Syria warned

Israeli tanks and artillery were rolling by along the country's northern border, as a warning to Syria not to mass forces in southern Lebanon. Page 6

Teachers strike

Scottish teachers began an indefinite nationwide strike in support of a substantial pay claim, leaving 8m. children without classes. Page 4

Truancy charge

The wife of Oldham Athletic manager Alan Groves has refused to attend school, though her 16th birthday came nine days too late for her to be entitled to leave this year. Oldham Education Committee is to prosecute her mother under the 1944 Education Act for permitting his ward to truant.

Merseyside police headquarters is expected to be rebuilt a year ahead of schedule, at a cost of ... to provide employment for Liverpool building workers.

BUSINESS

Equities gain 7.1; late trade unsettled

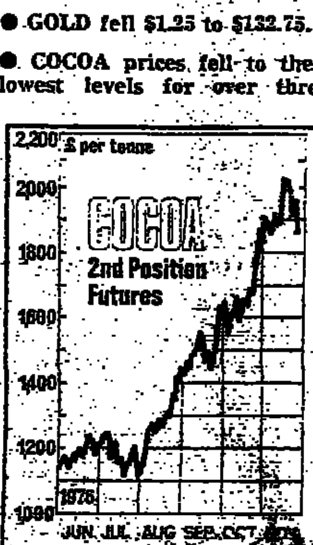
● EQUITY leaders rallied after the sharp setback of the previous two trading days, but prices at the close were below the day's best. FT 30-Share Index, up 9.1 at 1 p.m., slipped back to finish at 300.3, ahead 7.1 on the day. The miners' dispute unsettled the tone of after-hours dealings.

● GILTS advanced, with gains of ½ in longs. Government Securities Index rose 0.18 to 58.40.

● STERLING closed at $1.6450, down 10 points on the day. Its trade - weighted depreciation narrowed to 45.4 (45.7) per cent.; dollar's narrowed to 1.81 (2.05) per cent.

● GOLD fell $1.25 to $132.75.

● COCOA prices fell to their lowest levels for over three weeks on speculative selling. The March position closed at £1,858.5 a tonne, down £47.5. Page 23



● WALL STREET was down 4.41 at 951.46 near the close.

● U.S. TREASURY bill rates: threes 4.596 (4.890) per cent., sixes 4.682 (5.018) per cent.

● IMF is considering a scheme under which Britain would have to meet increasingly strict performance targets as it borrows segments of the $3.9bn. credit now being negotiated. Back Page

● OFFICIALS at an OECD meeting agreed that weaker industrialised countries, such as Britain, Italy and France, should tackle inflation and the balance of payments rather than stimulate the economy. Back Page

State cash for Sinclair

● NATIONAL ENTERPRISE Board has injected £650,000 into Sinclair Radionics, the electronic calculator maker, in return for a 43 per cent. stake in the company. Back Page. Feature, Page 19

● NUCLEAR POWER station industry, which has not received an order since 1970, has told the Government that an early order is essential for its survival. Page 11

● FORD hopes that output at Halewood will rise quickly after its decision to reinstate ten men dismissed for breaches of discipline. But Leyland faces new trouble, with Cowley engine tuners voting to strike. Page 16

● MAN-MADE FIBRE producers in Europe want big changes in the GATT multi-fibre arrangement, including a slower growth rate for textile imports. Otherwise, they say, parts of the European industries could disappear. Page 8. Editorial Comment, Page 18

COMPANIES

● POWELL DUFFRYN boosted pre-tax profit to £5.06m. (£3.32m.) on turnover of £122m. (£111m.) in the first half. Page 20

● COMET RADIOVISION pre-tax profit fell to £1.47m. (£2.26m.) in the year to August 28. Page 21 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

...ing 6¼% 85-87	£63⅜	+ ⅞
...s Defd.	208	+ 8
...ham	220	+ 4
...y Intnl.	126	+ 10
De La Rue	223	+ 6
...lop	86	+ 4
...	204	+ 4
...	133	+ 6
...o	352	+ 7
...	232	+ 10
Head Wrightson	50	+ 14
House of Fraser	55	+ 4
...broke	80	+ 4½
...al Box	223	+ 5
...land Bank	212	+ 5
Miller (H.)	36	+ 18
Pilkington	262	+ 5
Property & Rev. "A"	136	+ 6
SPR	78	+ 3
Sheaf Steam	108	+ 6
Tube Invs.	274	+ 8
Unilever	384	+ 8
United Real Prop.	170	+ 6
Warnford Invs.	150	+ 3
BP	708	+ 8
Falcon	108	+ 5

FALLS:

Bank of Ireland	225	− 10
Braby Leslie	60	− 5
Hawthorn Leslie	28	− 5
East Dries.	670	− 20
Rand Selection	430	− 10
Southern Malayan	165	− 5

Miners reject NCB offer—ballot called

BY CHRISTIAN TYLER, LABOUR STAFF

MINERS' LEADERS yesterday set the wheels in motion for national industrial action when they rejected a National Coal Board scheme for lowering the retirement age and called a pithead ballot to support them.

There has been provision for a ballot on the retirement claim since the union's annual conference approved the claim in July, but the decision came unexpectedly soon and was caused by the refusal of the National Coal Board to improve its offer at talks in London yesterday.

In view of the NUM national executive's decision to recommend rejection of the offer in the ballot papers — there is every chance that the requisite 55 per cent. majority in favour of some kind of action will be obtained. A result could be known in three weeks' time.

Mr. Joe Gormley, NUM president, and other moderates in the union leadership are not at this point thinking in terms of a strike. It will be up to the executive after the ballot result to decide what action should be taken. In the meantime, the Coal Board will be under pressure to improve its offer.

Yesterday's decision will do nothing to help confidence in the TUC's social contract with the Government.

The NUM's claim—for the retirement age to be dropped from 65 to 60 from January 1 and to 55 by 1980—could breach the incomes policy. But Mr. Gormley said yesterday that he was not looking to breach the policy: he said the negotiations had not even progressed as far discussion about operative dates.

Earlier in the day, after a preparatory executive meeting, the miners were told by leaders of the TUC economic committee that they could not lower the retirement age within the life of the present pay policy—up to the end of next July—unless the cash equivalent was deducted from the 5 per cent. earnings rise they will be allowed in March.

This way of squaring the retirement claim with the policy would not be all attractive to the miners.

The gamble by the moderates —who drew up the claim—is whether they can squeeze improvements out of the Coal Board without breaking the incomes policy, and yet control the militant action that a "yes" vote will unleash in the mining areas.

The militants from Yorkshire, lobbying Coal Board headquarters, gave a triumphant shout when their president Mr. Arthur Scargill, emerged with the news. Mr. Scarbill said the offer was "a complete and utter insult to every British miner."

He and other Left-wingers will now be going all out to win a big vote. The last two pithead ballots —on the present and previous pay policies—gave voting victories of 60.5 and 53 per cent. to suporters of the social contract.

The Coal Board offer, which Prompted Mr. Gormley to say the Board "is not taking us as seriously as it ought to do," is to lower retirement to 62 in steps over the next three years, not for all miners but only those with 25 years of working underground behind them.

But the key point according to the Coal Board is that no change could be contemplated until incomes policy allowed it. That could be after July next year, or even later, depending on what is agreed for next time round.

Sir Derek Ezra, Coal Board chairman, said when he heard the NUM's decision: "I am naturally sorry that there has not been agreement because I think in the circumstances we

Continued on Back Page
Gormley picture Page 16

Pound down 10 points

The pound dropped sharply after news of the miners' ballot, following an improvement earlier in the day.

At the end of dealings in London, sterling stood at $1.6450, down 10 points from the previous day's close and 1.20 cents below the best levels recorded yesterday. It was still, however, well above the low point of $1.6325 reached yesterday after the overnight fall in New York.

Earlier in the day the pound had recovered after Monday's sharp setback, reaching a high point of $1.6570 before the news. The effective depreciation from December, 1971, levels narrowed from 45.7 per cent. to 45.4 per cent., but this rate did not reflect the late fall.

At the same time the Bank of England gave a clear sign to the money market that it did not want another fall in minimum lending rate this week by lending to the money market for seven days at the present MLR.

W. Germany urged to reflate

BY ADRIAN DICKS BONN, Nov. 23.

THE WEST German Government is expected to be urged tomorrow by its top panel of independent economic advisers to stimulate the economy by about DM35bn (£765m.) in 1977, or face the prospect of a 1 per cent. drop in real growth to no more than 4-4.5 per cent.

According to reports here to-day of the panel's conclusions, the independent advisers—known as the Five Wise Men—take a much less optimistic view than other forecasters of the outlook for employment next year.

Coinciding with growing pressures on Chancellor Herr Helmut Schmidt from abroad to reflate the economy, the report of the five wise men will put the Government in a delicate position. It has been arguing consistently in recent months that, after pausing for breath during the summer, economic recovery now is on a steady, if slightly slower, upward course, which will continue well into the second half of next year, without the need for official intervention.

Although Herr Schmidt and Herr Hans-Dietrich Genscher have to conclude their economic policy outline for the next four years of their Coalition Government, all suggestions of a new stimulus to the economy in the short term have been firmly rebuffed.

Unions have been showing signs of unease at the present policy, while some businessmen feel that not enough has been done to encourage new investment.

The regular joint meeting between unions, employers and Government—at which proposals of the five wise men will certainly be taken up—was postponed to-day by the Economics Ministry by a month from early December to January 11.

The five wise men are reported to be urging action on two fronts. First, they wish to see a much greater effort to tackle unemployment on a structural basis along the lines of the DM430m. programme intended to increase mobility among the unemployed, to which the Cabinet gave the green light a fortnight ago.

The panel, whose members are drawn from West German universities, believes that unemployment could average as much as 900,000 next year. This estimate compares with the forecast of 800,000 made only a month ago by four out of the five leading economic research institutes and with a current unemployment figure of 943,000. The Federal Labour Office fore-

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Peace hint in bank row with accounting group

BY MICHAEL LAFFERTY

A POSSIBLE last-minute compromise emerged last night in the long-running dispute between Britain's banking industry and the Morpeth Inflation Accounting Steering Group.

The effect of the compromise would be that banks would be given a special dispensation by the Bank of England and the accountancy profession to use different rules for calculating their profits than those applicable to other companies under the new inflation accounting system. It would mean that banks would be allowed to take account of the fall in the value of money holdings—their main earning assets—in arriving at profits.

The suggested solution will be discussed at meetings soon to be arranged by the Bank of England. The Bank has been acting as an intermediary between the clearing banks and the Morpeth group on the matter and now it feels that there is sufficient understanding for an 11th-hour meeting to take place.

The move follows intensive pressure by the Bank of England that the clearers should not come out in full opposition to the Morpeth proposals which will be published next Wednesday.

The Bank and the Government are believed to be strong supporters of the new system which is largely based on the recommendations of the Sandilands committee of inquiry published in September last year. The whole-hearted opposition of the clearing banks would have been seriously damaging and might have resulted in delay in implementing the new accounting system.

Precedent

However, it seems likely that the clearers will not oppose the Morpeth proposals outright but will welcome the opportunity to discuss their case further.

There is a precedent for giving banks special treatment, since they have a dispensation for normal accounting rules under the existing historic cost method. Under what are known as the Leach-Lawson rules, drawn up in 1969 by Sir Ronald Leach and the late Sir William Lawson, banks are allowed special treatment of certain items, particularly bad debts and investment losses and gains.

Essentially, this means that the banks can average their bad debts and investment profits or losses over a five-year period, rather than take them all in the year to which they apply as for all other companies.

Banks want special treatment apart from the Morpeth proposals which apply only to inflation on fixed assets and physical stocks and ignore all other items, broadly known as monetary items. As the banks are large net holders of monetary assets which lose value with inflation they want to be allowed to take account of this loss before arriving at profits.

Davy/Head Wrightson agree on terms for merger

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

TWO OF the best-known companies in the U.K. process plant industry, Davy International and Head Wrightson, last night announced they had agreed terms for a merger.

This will be achieved by a share-exchange offer which values each Head Wrightson Ordinary at 54p and puts a price of more than £7m. on the company.

Davy and Head Wrightson operate in related areas. Davy is more involved with the design and building of process plant while a bigger proportion of Head Wrightson's operations are concerned with manufacturing the hardware which goes into the plants.

Mr. John Buckley, Davy's chairman, maintained that the merger would "give added strength to the U.K.'s acknowledged competitive ability and high reputation in the field of contract engineering, project management, and equipment supply for the iron and steel industries of the world."

The combined process resources would give the merged companies a broader technical base the combined manufacturing resources, which were largely complementary, would benefit from being part of a larger group; and the combined financial capability would be essential when very large international projects were being negotiated, he said.

Both companies believe that, because of Davy's worldwide marketing ability and the substantial amount of sub-contracting in its operations, Davy can do a great deal to provide a better work load for Head Wrightson after the merger.

Lazard Brothers, acting for Davy, will offer three Davy Ordinary for every seven Head Wrightson Ordinary.

The Davy shares rose 10p to 126p last night, influenced mainly by the news that if the merger goes through there will be a steep increase in Davy's dividend payment for the year — from 9.528p to 15p a share for the year to March 31, 1977. Treasury approval has already been given.

Davy's half-year results, also reported last night, show turnover for the six months to September 30, up from £38.84m. to £68.33m. and taxable profits at £7.29m., against £3.33m.

Head Wrightson directors, advised by J. Henry Schroder Wagg, are recommending that shareholders accept the offer and will do so in respect of their own shares. These represent only 0.5 per cent. of the issued capital.

The Head Wrightson shares put on 14p to 50p after the news last night.

Both groups were emphasising yesterday that the two management teams know each other well

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Oil countries postpone price rise talks for five days

BY OUR FOREIGN STAFF

THE Organisation of Petroleum Exporting Countries has postponed for five days its meeting called to raise oil prices to avoid clashing with the Ministerial conference in Paris of the 27-nation north-south "dialogue." The meeting now is planned for December 20, Mr. Mana Al-Oteiba, Unite Arab Emirates Oil Minister, said yesterday.

This postponement apparently is a tactical move to increase pressure on the industrialised nations at the Paris talks, from whom the less developed countries are seeking major concessions on debt relief and increases on raw material prices.

But wide divisions on proposed price increases are emerging between the Opec members and these could lead to a confrontation at the price-fixing conference irrespective of any compromises reached in Paris.

Mr. Tayik Abdul-karim Iraqi Oil Minister, said yesterday his country will insist on a 25 per cent. increase on the present Opec price of $11.51 per barrell, fixed in October 1975. This is a humble deamnd in the face of 80 per cent. inflation since the beginning of 1974, he told representatives at a meeting of 10 Arab oil-producing nations.

At the other end of the spectrum, Sheikh Ahmed Zaki Yamani, Saudi Oil Minister, has said his country will resist strongly any increase of more than 10 per cent. Saudi Arabia is believed to favour an eight per cent. increase.

Between these two extremes lie the other Opec members, such as Qatar, which said yesterday it would accept a rise of between 10 and 15 per cent.

Algeria, usually a hard-liner, has said that any increase will be more than justified. Iran is campaigning for a rise of about 12 per cent. and Abu Dhabi says it will oppose any rise of more than 10 per cent.

Serious damage

The various proposals for price increases have provoked strong protests from the U.S. and Europe. The Saudi-led moderate faction in Opec does not appear prepared to dismiss this as mere sabre-rattling.

Mr. Oteiba, for example, yesterday advocated a "judicious attitude on the price issue so that we didn't push the U.S. into supporting our enemy . . . if we hit the new American leader with a hard line on oil prices, we would be doing exactly what the Zionists would like us to do."

A Carter aide and former U.S. Ambassador to Saudi Arabia, Mr. James E. Akins who is touring Arab nations, said yesterday an oil price rise of more than 10 per cent. would seriously damage the world economy.

A further indication of the U.S. line came from Mr. Clayton K. Yeutter, U.S. delegate to the annual session of the General Agreement on Tariffs and Trade in Geneva yesterday, who said Washington considers any increase unjustified and economically dangerous.

"Even if oil prices do not increase we foresee a current account surplus in the Opec countries of nearly $50bn. in 1977 which will require major economic adjustments," he said.

"Many oil importing countries are approaching the limits of their borrowing capacities and must soon face difficult economic policy decisions which have been postponed."

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Government in the dark

BY JOE ROGALY

INFORMATION about what the Government is doing or planning is the property of the people, not the Government. Until this fundamental principle is embraced by our politicians and civil servants there can be no satisfactory reform of the Official Secrets Act, no "open government" and, worst of all, no end to the belief fixed firmly in the minds of an increasing proportion of the electorate that its paid administrators and politicians are usually up to no good. The more enlightened members of the present Cabinet are reaching out feebly towards such a principle, but the Government as a whole has not begun to understand it.

The result is the curiously unsatisfactory statement made by the Home Secretary, Mr. Merlyn Rees, in the Commons on Monday. It will be welcomed by those who believe that when our Government or our public servants tell us something they are doing us an immense favour; others will receive the news with less than absolute delight. What Mr. Rees said seemed reasonable enough to those whose attitudes are still conditioned by 19th-century élitist traditions: in future there will be a carefully defined new category of secrets involving the security of the state or the privacy of the individual, and prosecutions under the criminal law will apply only to these.

Illiberal

How sensible, some people are saying. After all, information about weapons, or the security services, or dealings with foreign governments, or who paid how much income-tax *should* be kept secret. Transgressors *should* be punished, as should those who trade in or use classified information for gain. What is more, in its best spirit of beneficent generosity Mr. Rees now proposes to exclude from the category of such secrets the economic information that the Franks committee would have included, while those Cabinet papers not dealing with secrets classified under the proposed new top-security clause will also be left out. Could anyone be more liberal than that?

The answer is in the affirmative: The first change that would be made by the new law would be wholly illiberal: when brought before the courts, those who had breached its provisions would be convicted. At present the Official Secrets Act is in disrepute and it is believed that a conviction is impossible. In future there may be fewer secrets — but, by golly, those who transgressed would be for it.

The blinkered liberal will say "why not? These are to be matters affecting the national interest, security and personal privacy; there should be an enforceable criminal sanction." The trouble is that we do not yet know *who would decide* what would be classified under the new definitions. If the decision is to be made by the Minister or officials, then it is certain that they would sweep as much as possible under the convenient new carpet: disclosing that too much was spent on an Ambassador's house might become punishable by a fine or imprisonment.

Some outside body, possibly a special High Court, should be appointed arbitrator, with the option of secret hearings if the State requests them and the Chief Justice agrees. Case law might then define reasonably circumscribed boundaries that might keep Ministers and officials from succumbing to the temptation to over-classify—provided that the enabling Act was carefully drafted to keep the boundaries down to a tight minimum in the first place.

With such measures, everything depends on the small print: for this reason a gesture towards open government might be to publish a draft Bill that could be debated and microscopically examined in public; the purpose would be to make absolutely certain that if there is to be "an Armalite rifle in place of the old blunderbuss" it is pointed only at the heads of those who are by general consent equivalent to spies or traitors.

Available

Such a safeguard would not in itself be sufficient. The proposed new law needs a second half: a "freedom of information" section that makes it obligatory for officials and politicians to open the 99 per cent. of the books not classifiable as top security secrets or matters of privacy. If a Department produces a memorandum of policy, or a table of statistics, or a proposal, or a record of a meeting, or a compilation of a departmental opinion poll's results, or a minute, or just about anything else of the kind, then that is the property of the taxpayers whose servants the officials in the Department profess to be—even if that Department is the Treasury itself. It should all be available, by law. Until it is, Government will be remote from the people, and for that reason unsuccessful.

SALEROOM — BY ANTONY THORNCROFT

Manuscript fetches £75,000

SOTHEBY'S is having a good week selling Middle Eastern (mainly Iranian) art. Yesterday, it completed an auction of Oriental miniatures, manuscripts and Persian lacquer, and brought in a further £559,076, with some quite exceptional prices. The "Islamic week" ends to-morrow.

A leaf from an early (19th) Persian manuscript which sold for £75,000 at Sotheby's.

No price was more staggering than the £75,000 (to which must be added the 10 per cent. buyers' premium) paid by Atigetchi, a Tehran dealer, for a Persian manuscript produced in 1801. The manuscript provides a commentary on Persian poets with examples of their work, plus 30 miniatures in the Qajar style. Sotheby's had been expecting bids between £10,000 and £15,000.

Atigetchi also paid £70,000 (forecast £15,000-£25,000) for a copy of Firdausi's *Shahnama*, with 44 miniatures, produced in 1565 but with a later Qajar binding; £15,000 for one leaf of an Inju-style Shahnama, dated 1341, showing the murder of Siyawush; and £14,000 for a Qajar Qur'an manuscript.

Another high price was the £18,000 from Massaudi, a private buyer, for a version of Nizamin's *Khamsa*, well illustrated and produced in 1597 with mid-17th century miniatures.

In the afternoon session, Habib gave £22,000, more than double the forecast, for a lacquer mirror case of around 1840 containing a portrait of the young Nasr ud-Din, a Qajar ruler.

Christie's was occupied selling French paperweights, a specialist market slowly recovering from an artificial boom. Judging by the prices, things are well on the way to recovery, with a St. Louis encased overlay upright bouquet paperweight, three inches in diameter, selling to Spink for £5,500—almost double the forecast.

In Holland, Christie's sold cars for £237,07[illegible]. A 1933 Bugatti made £19,559, a 1939 Maybach £13,447, and a 1936 Bentley £9,290.

RACING — BY DOMINIC WIGAN

King Commander well treated

RICHARD HEAD, whose brilliant novice, Border Incident, seemed to falter for a few strides after jumping the last in Saturday's Black and White Whisky Gold Cup in which Three Tangle proved just the stronger, could have better luck at Worcester this afternoon.

I shall be disappointed if his extremely smart eight-year-old *King Comander* fails to win the Sportsman's Chase from which Master Upham and Mr. Savin are both absentees.

King Commander, who gained his only success from eight outings last term when an easy winner of a handicap hurdle at Chepstow, has made a bright start to the season, winning a 26-runner hurdle at Wincanton and Windsor's 14-runner Saxon House Chase over 2 miles and 5 furlongs.

This afternoon's three miles, which he tackles for the first time since finishing a remote seventh of eight in a hurdle at Kempton 10 months ago, should present no problems for the well-treated King Commander, and he is suggested with a reasonable degree of confidence.

WORCESTER

1.00—King's Rhapsody**
1.30—Headmaster
2.00—Royal Rudolf
2.30—King Commander***
3.00—Dad's Army
3.30—Lismount VI

FONTWELL

12.45—Old Smokey
1.45—Strong Love*
2.45—Gypsy Baron

A second possible winner for the Upper Lambourn trainer, who could have run King Commander in the Fisherman's Hurdle in which the concession of 7 lb to the course and distance winner *Royal Rudolf*, might have proved too stiff a task is *Rathvilly*.

This handsome Faust gelding makes his seasonal debut in the Stalker Chase. Although he may initiate a profitable afternoon for Head, I doubt if Rathvilly will prove quite up to giving 10 lb to *Headmaster*, a promising third behind Hamswell in the Osbaldestone Chase at the last meeting here.

Grand Canyon and Lanzarote, who will not now be joined by Comedy of Errors for the tilt at Saturday's Colonial Cup in South Carolina, are both reported to be in fine heart and ready to do themselves full justice.

The globe-trotting Grand Canyon, whose last overseas raid paid off with a spectacular victory at Auteuil early last month, is joint favourite at 4—1 with the American horse, Straight and True, for Saturday's $60,000 prize, with Lanzarote only a point longer.

GARDENS TO-DAY — BY ROBIN LANE FO[illegible]

Useful hints from old wives' tales

THIS YEAR, I have no winter greens, as they all died in the drought. I am still planting the last of my spring bulbs, as it has rained on the days which I set aside for the task: my lawn, largely resown with fine grass seed last May, has as many weeds and rough rye-grasses as fescues fit for croquet: even the nasturtiums, which were sown in June, grew a thick clump of leaves and refused to flower. Now, it cannot all be the fault of the weather, and though it is probably the fault of the Government, I must also allow that I have somehow left undone what I ought to have done. Returning to books and advisers, I find my omission is obvious. Before planting anything, the wise gardener tests the ground: the wiser he is, and the nearer he lives to Lincolnshire, the more likely he is to test it in the only proper way, by lowering his trousers, sitting on it and seeing if he, too, finds the texture and temperature comfortable. What suits a Lincolnshire countryman is said to suit his plants. No wonder my failures have been so frequent, as I would not have cared to squat on my hot lawn between March and September.

It is not often that a bookseller has a hand in a best-selling book, but Maureen Boland (to be found in Hatchards, Piccadilly) has combined with her sister Bridget to give us a charming range of such rustic advice in the Old Wives' Lore for Gardeners (£1.95 published by Bodley Head). From it, I have learnt that I should care for my plants from the bottom up: I am also conscious, despite the suspicious title, that the two sisters have gardened devotedly for longer than the span of my life and that the advice, given briefly and without qualification, has mostly been tested for years in their experience. Not all of it is familiar; little of it is scientific. But they show not the slightest hesitation in their suggestions.

Couch grass

No doubt there are parts of your garden which are thick with couch grass. The sisters would tell you to sow turnips thickly over the couch's roots; "We now have no couch grass," they remark, and presumably no need for turnips, either. I imagine that one tough root vegetable somehow overcomes another. Your cabbages and brussels sprouts have mildew? You should spray them with methlylated spirits, they say, a remedy which seems to me to be rather artificial, as if you have to spray you might as well spray with a recognised compound against mildew. May-be the meths lingers on to enliven the salad. Tea-leaves on camellias (or clematis) and banana-skins in rose-beds (they rot so quickly and richly) are two tips which do make sense; so, too, does the watering of climbers at the foot of walls, by throwing water out of the kitchen window or by emptying the rinse of milk-bottles in their direction. Otherwise, the dryness of their site tends to be forgotten. But when we come to pests and diseases, the traditional lore takes on a new and remarkably confident note.

There is no longer any need, the sisters say, to spray roses against greenfly and aphis. You need only plant a clove of garlic beside each rose-bush. The roses, they say, draw up from the soil a "substance given by the garlic plant" which is "*harmful to greenfly.*" A few may hatch out in spring, but they do not survive. None appears later.

Recommended

I am inclined to believe this may be correct. Bulbs of the Allium, or onion, family have been recommended as a wise accompaniment for crocus corms which would otherwise be eaten by mice. Guarding my crocus corms with two big onion bulbs, I can report no ravages from rodents. Perhaps this is mere chance. But such a positive tip for garlic against greenfly leads me to suspect that the tang of onion is indeed a deterrent. A few pages later, little trust is put in the Caper Spurge, I am pleased to say, as a protection against moles, as this maddening plant protects nothing, except its own abundant seedlings. When such a false tip is rejected, the good word for garlic may well be genuine lore. It is not necessary that the garlic should flower, only that its presence should somehow be imbibed by its neighbours. [illegible] be watered, therefore, [illegible] weather.

I am impressed, too, by [illegible] against hungry deer. [illegible] near woodland know [illegible] of these handsome [illegible] which will ruin a succ[illegible] young flower-bed and nibble [illegible] new tree. If a rag soaked [illegible] creosote is fixed on a stick placed at intervals in the flo[illegible] bed or beside a special [illegible] no deer will trouble the pl[illegible] The creosote fouls the sens[illegible] smell by which deer are ale[illegible] The creosote should be rene[illegible] every month, or so. As [illegible] sparrows, those wanton spo[illegible] of spring crocus, they are [illegible] to avoid yellow crocus flo[illegible] among clumps of lavender, [illegible] the place where one [illegible] naturally plant crocus, but I [illegible] pose I can believe that lavender's pungency has s[illegible] thing to do with it. Cats, on [illegible] other hand, are said to be [illegible] from borders of catmint if [illegible] tube of a bicycle tyre is [illegible] near the flower-bed. They [illegible] said to mistake it for a s[illegible] which says something, I sup[illegible] for the purity of [illegible] imaginations.

Deterrents

Whatever you think of [illegible] love of deterrents, you [illegible] allow the flower arrangers [illegible] little tricks. I can vouch [illegible] two of the good tips here. [illegible] you want to have heather [illegible] your house, where it is [illegible] less ugly than in your gar[illegible] do not stand it in water. L[illegible] it dry, and its needles [illegible] flowers will not drop [illegible] quickly. If you want to ek[illegible] the life of other arrangem[illegible] try to include foxgloves in t[illegible] I think that the experim[illegible] which I once tried with [illegible] familiar tip were valid not [illegible] tuitous. Certainly, two sim[illegible] arrangements varied in t[illegible] life according to the presenc[illegible] absence of the foxglove; its [illegible] in the drug digitalin is [illegible] cause, I imagine, of [illegible] variation. Whether pen[illegible] sugar or charcoal in the [illegible] flowers' water make [illegible] difference I have never [illegible] sure. But among the unend[illegible] rubbish to be found in old [illegible] bals and modern occult gar[illegible] ing books, I am convinced th[illegible] are a few precious remedies [illegible] almost forgotten.

TV/Radio

BBC 1

† Indicates programmes in black and white

9.15 a.m. For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Fingerbobs. 2.01 For Schools, Colleges. 3.53 Regional News (except London). 3.55 Play School. 4.20 The Wombles. 4.25 Jackanory. 4.40 The Record Breakers. 5.05 John Craven's Newsround. 5.10 The Canal Children. 5.35 Ivor the Engine.
5.40 News
5.55 Nationwide
7.00 The Superstars
8.10 Softly, Softly, Task Force
9.00 Party Political Broadcast on behalf of the Conservative Party
9.10 News
9.35 Last of the Summer Wine
10.05 Sportsnight
10.55 To-night
11.35 The Sky at Night
11.55 Weather/Regional News

All Regions as BBC-1 except at the following times:—

Wales—2.18-2.38 p.m. I Ysgolion Cymru. Ffenestri. 5.10 Mae Gen I Stori. 5.30-5.35 Crystal Tipps and Alistair. 5.55 Wales To-day. 7.00 Heddiw. 7.20 Fo a Fe. †7.50-8.10 Laurel and Hardy in 'Tit for Tat.' 11.35 Jane Hodge Memorial Lecture: The Oil Sheikh. 12.00 News and Weather for Wales.

Scotland—10.23-10.43 a.m., 2.18-2.38 p.m. and 2.40-3.00 For Schools. 5.55-7.00 Reporting Scotland. 9.00-9.10 Party Political Broadcast on behalf of the Conservative Party. 10.05-10.55 Sportscene. 11.55 News and Weather for Scotland.

Northern Ireland—10.23-10.43 a.m. For Schools: Ulster in Focus. 3.53-3.55 p.m. Northern Ireland News. 5.55-7.00 Scene Around Six. 11.55 News and Weather for Northern Ireland.

England—5.55-7.00 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

10.35 Nai Zindagi Naya Jeevan
11.00 Play School
7.00 p.m. News on 2 Headlines
7.05 Simple Science
7.30 Newsday
8.10 Single Mind
9.00 Party Political Broadcast on behalf of the Conservative Party
9.10 Abide With Me from 'A Child in the Forest' by Winifred Foley
10.20 Arena: Art and Design including Sculpture for the Blind
10.50 I Claudius
11.40 Late News on 2
11.50-11.55 Closedown. Stephen Thorne reads 'Baedeker for Metaphysians' by Brian Higgins

BBC-2 Scotland Only—9.00-9.10 p.m. Party Political Broadcast on behalf of the Scottish Conservative Party.

LONDON

9.30 a.m. For Schools. 10.30 Hammy Hamsters Adventures on the Riverbank. 10.55 The State Opening of Parliament. 12.00 Here Comes Mumfie. 12.10 p.m. Mister Trimble. 12.30 Mr. and Mrs. 1.00 News plus weather, FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. †2.35 The Saint. 3.20 About Britain. 3.50 Emmerdale Farm. 4.20 The Sooty Show. 4.45 Pop Quest. 5.15 London Scene. 5.30 Sportscene. 5.45 News.
6.10 To-day
6.35 Crossroads
7.00 This is Your Life
7.30 Coronation Street
8.00 Wednesday at Eight
9.00 The Launderette
10.00 Party Political Broadcast on behalf of the Conservative Party
10.10 News
10.30 The Wednesday Special: "Evening News" British Film Awards
11.50 World Snooker
12.20 a.m. Night Gallery
12.55 Close: Gordon Bailey reads one of his own poems

All ITV Regions as London except at the following times:—

ANGLIA

10.30 a.m. Survival—Paradise Lost? 1.25 p.m. Anglia News. 2.00 Houseparty. 2.25 Marcus Welby M.D. 4.45 Pop Quest. 5.15 Run, Joe Run. 6.10 About Anglia. 12.20 a.m. The Big Question.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 2.25 The Best of Upstairs, Downstairs. 5.15 Ghost Busters. 6.00 ATV Today. 11.50 Pub Crawl.

BORDER

†1.20 p.m. Border News. 2.00 Houseparty. 2.25 Cash and Company. 5.15 Hogan's Heroes. 6.10 Border News and Lookaround. 11.50 Musical Triangles. †12.20 a.m. Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's On Where. 2.25 The Champions. 5.15 Jonathan Routh and Candid Camera. †6.10 Report at Six. †10.00 Call Out. †11.50 Epilogue followed by News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.25 Riptide. 5.15 Wait Till Your Father Gets Home. 5.35 Police Newsroom. 6.10 Grampian Today. 11.50 Pub Crawl. 12.20 a.m. Evening Prayers conducted by Father John A. Macdonald, Blairs College, Aberdeen.

GRANADA

1.20 p.m. Nature's Window. 2.25 Shannon's Mob. 5.10 This Is Your Right. 5.15 Crossroads. 6.10 Granada Reports. 6.30 University Challenge. †11.50 Silents Please: "Blood and Sand," with Rudolph Valentino (excerpts from the 1922 classic).

HTV

12.30 p.m. The Galloping Gourmet. 1.20 Penawdau Newyddion Y Dydd. 1.25 Report Wales Headlines. 2.00 Houseparty. 2.25 Jason King. 4.20 Miri Mawr. 4.35 Y Marchog A'r Brenin. †5.15 Chuckleheads. 5.20 Crossroads. 6.10 Y Dydd. 6.20 Report Wales. 6.30 Sez Les. 11.50 Pub Crawl.

HTV General Service—As HTV Cymru/Wales except: 1.20-1.25 p.m. Report West Headlines. 4.20-4.45 The Sooty Show. 6.10-6.20 Report West.

HTV West—As HTV Cymru/Wales except: 1.20-1.30 p.m. Report West Headlines. 4.20-4.45 The Sooty Show. 6.10-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Houseparty. 2.25 Department S. 5.15 Callimero. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Star Maidens. 11.50 Late Call. 11.55 The Big Break.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 2.25 Department S. 5.15 Sinbad Junior. 5.20 Crossroads. 6.10 Day By Day: Wednesday Extra. 12.20 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 12.30 p.m. I Dream of Jeannie. 1.20 North East News and Lookaround. 2.00 Women Only. 2.25 The Widest Beach in the World. 5.15 Star Maidens. 6.10 Northern Life. 11.50 Pro-Celebrity Snooker. 12.20 a.m. Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.25 The Baron. 3.48 Ulster News Headlines. 5.15 The Woody Woodpecker Show. 6.10 UTV Reports.

WESTWARD

10.30 a.m. Survival. 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 The Champions. 5.15 Jonathan Routh and Candid Camera. 6.10 Westward Diary. 11.50 Westward Late News. 11.55 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 2.25 The Widest Beach in the World. 5.15 Calendar. 6.10 Calendar (Emley Moor and Belmont editions). 11.50 Musical Triangles.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett including 12.30 p.m. Newsbeat. 2.02 Party Political Broadcast on behalf of the Liberal Party. 2.07 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2—8.02-9.30 as VHF). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

(S) Stereophonic broadcast

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 Party Political Broadcast on behalf of the Liberal Party. 2.07 David Hamilton (S) as Radio 1, but including on 1500m only (also on 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 The News Huddlines. 7.30 A-Pickin' and A-Grinnin'. 8.02-9.30 Soccer Special (1500m only). 8.02-8.30 Listen To The Band (S) (VHF and 247m only, also 202m Scotland). 8.30-9.00 Sing Something Simple (S) (VHF and 247m only, also 202m Scotland). 9.02-10.00 Command Performance (S) (VHF and 247m only, also 202m Scotland until 9.30). 10.02 Sports Desk. 10.05 Alyn Ainsworth and the BBC Radio Orchestra (S). 11.02 Don Durbridge with The Late Show (1500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

6.55 a.m. Weather. 7.00 News. 7.05 Your Midweek Choice part 1 (S). 8.00 News. 8.05 Your Midweek Choice part 2 (S). 9.00 News. 9.05 This Week's Composer: Mozart (S). 9.50 Organ Music. 10.20 Helen Watts Song recital (S). 11.10 Word. . . . 11.15 BBC Scottish Symphony Orchestra part 1: Rossini, Grieg (S). 12.00 In Short. 12.10 p.m. Concert part 2: Khachaturyan, Gershwin (S). 1.00 News. 1.05 Concert Hall (S). 2.00 In Repertory Eric Shilling discusses his roles with records (S). 3.00 Clarinet and Piano recital. 3.35 Mahler concert (S). 4.40 La Folia (S). 5.00 Choral Evensong. 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Language and Communication. 7.30 Gregor Piatigorsky cello recital (S). 8.00 BBC Symphony Orchestra part 1: Boulez (S). 8.25 The Arts Worldwide. 8.40 Concert part 2: Debussy, Ravel (S). 9.05 The Nutbrown Maid: one of the best-known English pastourelles. 9.20 Concert part 3: Ravel (S). 10.20 The Black Knight (reading). 10.45 Viola and piano recital (S). 11.25-11.30 News.

RADIO 4

434m, 330m, 285m and VHF
†Medium Wave only.

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today including Sports News. Today's Papers, and 7.25 (VHF) Regional News. 7.45 Thought for the Day. 8.00 News and more of Today including 8.25 (VHF) Regional News. 8.45 Yesterday in Parliament. 9.00 News. †9.05 The Living World. †9.35 Finger on the Pulse. †10.00 News. †10.05 In Britain Now. 10.30 Daily Service. 10.45 Morning Story. †11.00 News. †11.05 The Frank Muir Version. †11.30 The State Opening of Parliament. 12.00 News. 12.02 p.m. You and Yours. 12.27 Harry Worth. †12.55 Weather programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00) including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Winifred Gerin—The Brontes Biographer. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Just a Minute. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 It's Your Line. 8.30 Transatlantic Quiz. 9.00 The Reith Lectures 1976: Mechanics of the Mind, by Dr Colin Blakemore, part 3: An Image of Truth. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only) 9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

5.00 a.m. As Radio 2. 6.30 Susie Barnes with Rush Hour. 9.00 Personal Choice. 9.28 John Toogood with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Tony Fish with Home Run, including London News Desk. 6.00 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 In Concert. 10.03 Late Night London Link-up with WMCA in New York. 12.00 Closedown. As Radio 2.

London Broadcasting

261m and 97.3 VHF

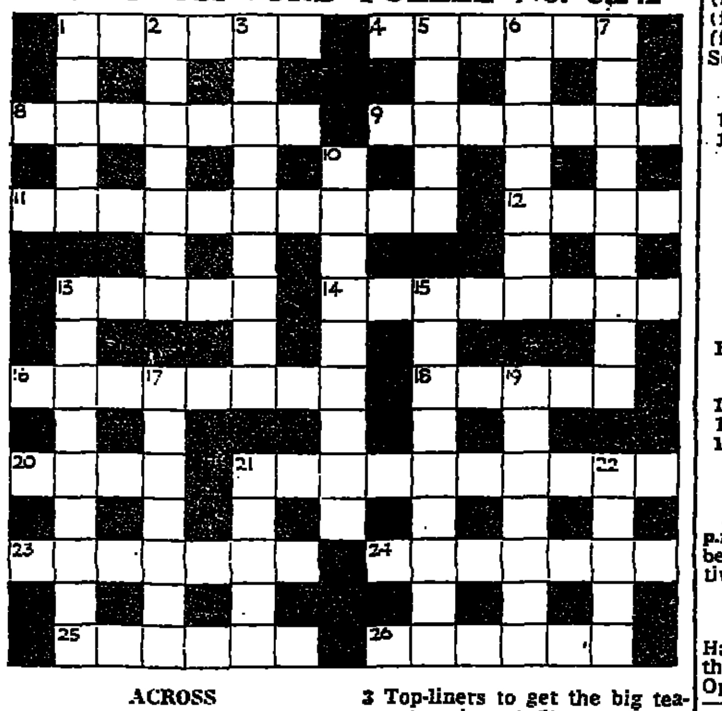
5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 3.00 Newsbreak. 4.00 Jazz in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour through the night.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Adrian Love: Open Line. 9.00 Your Mother Wouldn't Like It: Capital's heavy rock show. 11.00 Tony Myatt: The Late Show. 2.00-6.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,242



ACROSS

1 Odds on the whip to dilute the whisky (6)
4 Don't give up request to wait (4, 2)
8 Suspend a chap? He may do (7)
9 Large part of Bible editor finds narrow-minded (7)
11 Spies may be photographed very early (4, 2, 4)
12 Irish assembly gives daughter trouble (4)
13 Dull being born before king of tragedy (5)
14 It contains the drink of the French on the gallop (8)
16 Just land in sea in such a jumper. (4, 4)
18 Course they could be sausages (5)
20 Minister featured in the chapter heading (4)
21 Nag Carmen to appear in Western (5, 5)
23 Outstanding boxing champion sent outside (7)
24 Policeman taking notes that are abundant (7)
25 There I might be any more than the other (6)
26 English writer soundly compared to Grimm (6)

DOWN

1 Old Bob's potatoes are a hit (5)
2 Where there's a will there's one (7)
3 Top-liners to get the big teapots going (4, 5)
5 Virginia upset Scots boy concerning birds (5)
6 First-rate study of old-fashioned evening greeting (4, 3)
7 Born to eat on board of necessity (9)
10 Complicated card to play with lack of feeling (4, 5)
13 Warrior features in show of courage (5, 4)
15 Cried when adjudged lbw (6, 3)
17 Go mad during batsman's spree (3, 4)
19 Quicker to have a small whisky on jetty (7)
21 Female goes to church for this reason (5)
22 Upset alternative employment in stir (5)

Solution to Puzzle No. 3,241

B	L	E	S	S	I	N	G	■	S	W	I	T	C	H
A	■	X	■	O	■	A	■	S	■	I	■	R	■	I
L	O	C	A	L	■	R	E	I	N	S	T	A	L	L
L	■	U	■	O	■	R	■	L	■	D	■	I	■	L
A	E	R	O	P	L	A	N	E	■	O	R	N	I	S
D	■	S	■	E	■	T	■	N	■	M	■	■	■	I
■	P	I	E	R	C	E	■	T	R	O	O	P	E	D
A	■	O	■	F	■	■	■	■	■	F	■	U	■	E
S	E	N	D	O	F	F	■	R	E	S	U	L	T	■
S	■	■	■	R	■	U	■	E	■	O	■	L	■	R
E	P	S	O	M	■	R	E	P	U	L	S	I	V	E
S	■	L	■	A	■	L	■	O	■	O	■	T	■	M
S	T	A	I	N	L	E	S	S	■	M	O	O	S	E
O	■	N	■	C	■	D	■	E	■	O	■	F	■	D
R	E	G	R	E	T	■	C	R	A	N	E	F	L	Y

Channel crossing

by CHRIS DUNKLEY

The reversal of rôles in which ..V and the BBC have recently ..en indulging can no doubt be ..plained in political, or per..ps diplomatic, terms: the BBC ..eds high viewing figures to ..stify its forthcoming claim for ..creased licence fees, and ITV ..eds to show the Annan com..ttee, now thinking about the ..aft of its recommendations on ..e future of broadcasting in ..itain, how serious minded and ..nority conscious it can be ..en it tries.

..Yet identifying some of the ..otives does not detract from ..e amusement of a situation ..ich, 20 years ago, would have ..med impossible.

..f in 1956 you had explained ..t one of our broadcasting ..ganisations was claiming an ..dience split of 59:41 and the ..er was admitting to 50:50; ..t in mid November the ..anisation with the bigger ..dience had screened the *Royal ..iety Performance*, the Italy ..England soccer match, *Miss ..rld* and a 90-minute wartime ..ape film not bought second..nd from Hollywood but made ..its own expense as a British/..tch co-production; and that in .. same period the network ..h the smaller audience broad..t a 90-minute debate on *The ..te of the Nation*, started a ..v series of *The London Pro..mme*, the only serious investi..ory current affairs pro..mme about the metropolis, .. also a new series of the ..r-long *People and Politics*, .. only series on British tele..on devoted specifically to ..ussing political ideas—if you .. explained all this, nobody .. his right mind would have ..imed it was the BBC claim.. 59 per cent. of the audience .. giving us beauty contests .. variety from the London ..adium while ITV supplied a ..erior line in journalism and ..tics. Yet here we are: ITV .. the BBC have stolen one ..ther's clothes.

..e must promptly add that, ..ourse, the virtues and vices .. not distributed quite as ..ly as that. The BBC still ..luces serious material and ..y programmes for minori.. and ITV still makes far .. many programmes that put ..ience size above quality. ..eover, however admirable in ..nt ITV's serious programmes .. be, they do not always work .. well as they might in ..tice.

..or instance the first *People .. Politics* in Thames's new ..es was badly over-populated, ..a for a 60-minute discussion. ..peaks volumes for the pro..mme's reputation that Eric ..ley, Len Murray, John ..thven, Alex Jarratt, Richard ..yd, Sir Ronald McIntosh, and .. Charles Villiers will all ..ee to appear on it. But to ..h them all into one programme was silly, and if the producers did not realise it, Liew Gardner—the man who had to keep on saying "I haven't forgotten you, Sir Charles" (or whoever)—should have told them.

The shortcomings of the overworked television technique of confrontation to which this came so close were shown up by *The State of the Nation*, made by Granada in association with Harlech and Scottish TV, which adopted the classic British Parliamentary rules of debate.

However, that very adherence to Parliamentary procedure which was so useful in presenting the ideas of many of the best speakers in to-day's House—Enoch Powell, Brian Walden, Neil Kinnock and so on—and in delineating the differences between them, was also responsible for making the programme look absurd Lord Selwyn-Lloyd in his old rôle of Speaker called "Order, *order*, this debate will be adjourned and resumed later" and (in London, anyway) Cyril Fletcher promptly exclaimed: "There was a young chap from Hong Kong who wanted to make his shorts long . . ." in the ensuing advertisement.

So it would be wrong to imply that ITV is turning out nothing but faultless highbrow discussion programmes. Equally, it would be wrong to suggest that BBC programmes now consist exclusively of light entertainment extravaganzas.

BBC2's *Arnhem: The Story Of An Escape*, although it sounded as though it would be a blood-and-guts war film, for example, turned out to be a very slow, almost lyrical, account of Graeme Warrack's Dutch escape. Though aware of a resentment among some cameramen of what they see as the fixation of television critics on the camera-work of Brian Tufano, I have to say that in this film he proved yet again his utter mastery of photographing people in landscape: there were qualities of almost pre-Raphaelite colour and light in his pictures of soldiers in pine forests, cyclists on misty roads, and frosty fields lit by a westering winter sun.

However, the programme told us nothing that we have not heard many times before about war and escape, and anyone switching on for an adventure story rather than for photography and a fairly powerful evocation of atmosphere may well have been bored stiff.

(And if you think that making wartime escape stories boring is quite an achievement, goodness knows what you made of BBC 1's "Play of the Month" production of Osborne's *Look Back In Anger* which director John Glenister and actor James Hazeldine turned into a cool, rather miserable little play that might more suitably have been titled *Look Back In Petulance*.)

As so often with generalisations there are numerous exceptions to be made. Yet the strong impression does remain—and it is, after all, backed up by research figures — that as the BBC's sights have fallen, ITV's have risen. Two examples seen in the last week typified the relative positions.

First was *Miss World 1976* on BBC 1. As every year, this supplied us with the Christmas cracker version of sex: all bright wrappings and implied promise, disappearing with a pop to reveal a lot of empty space and a curled up motto. This year the role of cracker motto was played by Ray Moore.

"O.K., let's get this humble liddle show going," he said. "Miss Austria, a student of something I couldn't quite catch . . . Miss Paraguay, who wrote her occupation down in Spanish so I can't help you . . . Miss Singapore, whose home town I woan attempt to announce . . . a most unlikely student of archaeology is Jacky Moore, Miss Ireland . . . she's 17 is Jacky . . . what can we say about Miss United Kingdom? . . . here she is competing with the best in the world . . ."

If it weren't for the fee he was being paid, the position of this poor little man, required to deliver such a grubby list of contrived trivia, would be truly pathetic.

I can see no ground for interfering with the freedom of those who want to organise and participate in such contests, but they could obviously be done so much better. "Millions watch it" is always the excuse, and it is true: the same people go back for more crackers every year. The human capacity for credulity, self delusion, and hope seems boundless.

Sex In Our Time, the late night series produced for Thames by Udi Eichler, is at the opposite end of the spectrum. Where *Miss World* is tediously old fashioned, *Sex In Our Time* breaks completely new ground: it is not a TV agony column, nor a series of Sunday evening sermons on morality, but an attempt to chart the great changes in sexual habits and attitudes which in the last few years must have affected (sometimes remotely, often closely) practically the entire population.

It is a brave series, a transparently well-intentioned series, and a series which cries out for national networking rather than the London-only slot that it was given. But these virtues are as nothing beside the immense power of the series to change the lives of thousands of viewers by the simple process of showing that their sexual predilection or problem, worry or fear is not unique and not even a mystery but a commonplace which has been hidden for years because of society's guilt and fear.

Without passing judgment for or against, the series looks at the growth of understanding of women's sexuality, at sex therapy, at sex magazines and films and "aids" now available not only in London but in provincial cities, and at the increasingly open attitude towards homosexuality, both male and female.

If you are puzzled about not having noticed this remarkable series even in London, the reason is simple and terribly ironic: George Cooper and Howard Thomas, managing director and chairman of Thames TV, are trying to suppress it and have pulled it out of its London slot before it ever started and so far have managed to limit its transmission to Australia (where it was broadcast at 9.30 p.m. without any fuss). Thanks to the Association of Directors and Producers, who have friends with videotape recording machines down under, I was able to see the programmes at a special showing.

Hope that the British public may also see the programmes, even if in the middle of the night as they were originally scheduled, rests now on efforts being made by Thames staff and the TV unions to persuade Messrs. Cooper and Thomas that the date really is 1976, not 1956, and that it is ITV's factual broadcasting, not the BBC's variety shows and beauty contests (let alone Uncle Mac and *Children's Hour*) which are setting programme standards to-day.

John Hallam in 'Arnhem' (BBC 2)

The Entertainment Guide is on Page 27

New York opera

City Opera season

by ANDREW PORTER

The New York City Opera's ten-week autumn season was broken off for nearly three weeks by an orchestral strike. Once that was settled, it resumed with two new productions in quick succession. *Der fliegende Holländer* was designed and staged by Robert E. Darling in open imitation of Wieland Wagner's 1959 Bayreuth production. Richard Wagner's detailed and careful stage-directions (for example "The low E sharp on the basses accompanies the Dutchman's first step on shore . . . At the first crotchet of the third bar he takes his second step, still with folded arms and bowed head") were ignored. In fact there was *no* shore in Act 1—only Daland's ship, open-backed like a ferryboat—and so the dramatic point of the Dutchman's setting foot on land, after seven more years of wrack and anguish, was thrown overboard. In Act 2, the portrait once again dangled from the flies. Senta let it down on a sort of pulley, and had to clutch the wretched thing during her scene with Erik; later, she propped it awkwardly against a chair. (One hoped it was on panel, not canvas.)

Unfortunately, Mr. Darling's direction had none of the dramatic force that made Wieland's alternative staging of his grandfather's opera so thrilling. Nor were there vocal compensations. Johanna Meier, who has been singing Eva, Sieglinde, and the Marschallin to some acclaim, let unsteadiness spoil her Senta. She has so fresh and attractive a stage personality and, in her best phrases, such full, clear, shining tones that one continues to hope she may become—well, the "American Rysanek." Guillermo Sarabia made his City Opera début as a rough, imprecise Dutchman. Kenneth Collins as Erik was passable, and Spiro Malas as Daland was not. Julius Rudel's conducting had several passages of poetry and romance, but both his orchestra and his chorus sounded too small for the State Theatre (which seats 2,729 more than La Scala or Covent Garden).

It was probably the fault of the theatre, which was built for the City Ballet, not for opera (nor for drama: in early days the Royal Shakespeare played *King Lear* there, and no one could understand a line). It is an excellent house for dance but to singers it is cruel, unless they are heard from a few favourable seats. I sat in one of these for the new production of *Il barbiere di Siviglia* and admired very much the finesse, the droll timing and witty inflexions of Donald Gramm's Don Bartolo and the splendidly focused tones of Samuel Ramey's Don Basilio both in solo and as a pure, clean bass line to the ensembles. (One's spirits rise when one sees that Mr. Ramey is in a cast: among young American singers, he is in the company of Frederica von Stade and Richard Stilwell.)

Il barbiere was both produced and conducted by Sarah Caldwell. Her conducting had grace, charm, lilt, even if ensemble strayed from time to time. Her production was a horror, a *moto perpetuo* sequence of gags, apparently based on the belief that what might be funny once would be six times as funny at the fifth repetition. There was no feeling for character. Beverly Sills played Rosina as a grinning doll (feeling broke through at only one moment, when she thought that Lindoro had betrayed her), and she was in brittle voice. Mr. Gramm was costumed in a vast brown crinoline decked with many huge bunches of keys. Figaro (Alan Titus, not bad, but rather ordinary) was dressed in shiny red and white stripes, as a barber's pole. Almaviva (William Harness, overtaxed by the coloratura) wore a hat and coat made of open folios as his Lindoro student disguise.

La Belle Hélène, another new production, was a happier effort. Some found it vulgar; I found it diverting and not at all overdone—distinctly more stylish, in fact, than some of the Offenbach-in-English shows one has suffered. Geoffrey Dunn's clever translation (but not Edmund Tracey's dialogue) was used. The sets were by Lloyd Evans, and the costumes by Patton Campbell; Jack Eddleman produced. The early performances were conducted by Julius Rudel; when I saw it, the baton had been taken over by John Miner, a young conductor with a delightful feeling for the Mozartian grace and invention of Offenbach's most captivating score but not quite enough brio for the Entry of the Heroes. Karan Armstrong was a voluptuous Helen, and Joseph Evans a fairly engaging Paris. Orestes, a travesti role (in 1864, Mlle. Silly played it with a monocle), was dropped an octave, and that was a mistake.

The final new production was of Menotti's *The Saint of Bleecker Street*, a contemptible opera that was very well performed. Catherine Malfitano was the heroine. Cal Stewart Kellogg made his City Opera début; he seems to be a born opera conductor, vivid, sensitive, lyrical, and impassioned.

Beverly Sills in 'Il barbiere di Siviglia'

Olivier

Hamlet

by B. A. YOUNG

Transferring *Hamlet* to the open stage makes only minor differences. There is space behind John Bury's Roman portal that is all the scenery for better sight of advancing entries. The Ghost in Act One comes in through the auditorium; and the court watches the play from the stalls. But in general Peter Hall's production is the same, for better for worse.

Albert Finney, not entirely free of his recent throat infection, roars through the part of Hamlet, shouting his soliloquies, hurling his words at Ophelia before and during the play. If he has quiet notes in his range, he uses none. Nor does he aim at subtlety; "Now might I do it pat"—surely a question in his mind rather than a battle-cry—is spoken like a running commentary. "How now, a rat!" is a murderous monosyllable.

Important cast changes are Barbara Jefford for the Queen, less huggable than Angela Lansbury, more likely to have married Denis Quilley's superbly played Claudius; and Jim Norton as Laertes, looking older than Simon Ward, looking, I'd say, a little too old for the part in the ordinary way, only Rosencrantz and Guildenstern have aged a bit to match Mr. Finney's very mature Hamlet, and Philip Locke's Horatio is still an extraordinary 60-year-old.

Details continue to worry me. Hamlet says "Look, where my abridgement comes" when the door is shut on what he should see. When Hamlet, talking with the Ghost in his mother's closet, says "Do you see nothing there?", she continues to look in the opposite direction. Ophelia (Susan Fleetwood) still has to contend with Harrison Birtwistle's ugly *durchkomponiert* mad songs.

And if we are to have all the words, surely we can have them right? On Monday we had among other things, "fearful" instead of "fretful" porpentine; "What's Hecuba to him or he to her?"; and no offer to eat a crocodile after drinking eisel.

Round House Downstairs

Camp

by MICHAEL COVENEY

Camp as in concentration camp, nothing to do with coffee, caravans or limp wrists. The scene is Any Penal Reform Situation with three zombie inmates subjected to the sadistic interference of a goose-stepping, gas-masked supervisor. That might be enough to deter most customers, but as Pip Simmons demonstrated with his devastating *An Die Musik*, the subject has its possibilities.

The trouble with Steven Rumbelow's Triple Action Theatre Group is that, although good over low hurdles, they refuse at Becher's. It is all too easy and rather old-fashioned to put together a pot-pourri of trampled spirit mood sketches and continually dodge the only question for this kind of show, which is how far can we push the audience so that they begin to worry about being amazed?

Triple Action have been going for seven years, so I hesitate to suggest that they could possibly do that kind of show. But *Camp* is something of a departure; without a classic to springboard from, they suggest they could be equal to the challenge. Meanwhile, we must tolerate some splendid physical effects gained by four agile bodies and four upturned light bulbs, a swinging searchlight, a few handfuls of dirt and a bucket of cold water.

Information is not the name of this game (for that, see Peter Brook and *The Ik*). For what Triple Action are capable of achieving, see Grotowski, Eugenio Barba and, less exultedly, Lumière and Son. The group deserves encouragement and their 70-minute show is worth seeing for its experimental potential.

Palladium

The Carpenters

Someone, somewhere has humanised the Carpenters. The brother and sister who used to be as wholesome as wheat-germ and as musically bland as the Mitchell Minstrels have suddenly developed personalities—admittedly show business personalities but that's what it takes to enrapture a Palladium audience.

And they were raptured close to rupture on Monday by one of the neatest examples of big time entertainment mounted for years. Richard, behind the keyboard, still looks sometimes as if he wonders why he's there; Karen, well, Karen has improved so much that she is hard to be objective about; and as for the show, it has enough variety to last Shirley Bassey through an entire TV series.

After the corny bit when Richard conducts a tape recorder, there is the Spike Jones and his City Slickers pastiche of "Close to You"; there is the stroll through the audience, snaring customers into singing "la la" into a mike and then rubbing in salt by re-playing their embarrassment on the recorder; there is the High School hop revival, with Karen amazing the world by being witty, wearing a beehive and a bust; there is Karen's drum solo, and Richard's solo on the grand piano, where a huge mirror comes down to reflect his intense interpretation of the Warsaw Concerto into the upper circle; there is the sudden appearance of an enormous orchestra who have had almost an hour of silent sitting; there is. . . .

Well, it goes on and on quite happily until the Carpenters get round to singing their hits like "It's only just begun" and "Yesterday once more," and all those other soft-centred ballads which are so nicely sentimental. The Carpenters have survived the taunts about wallpaper music, saluting the flag, showering daily, hating drugs, and staying close to ma and pa, and seen the world turn their way. Their music may not have progressed, may not be able to progress but their stage presence has and, judging by Monday's ovation, there is a huge market for safe music in uncertain times.

ANTONY THORNCROFT

Festival Hall

Andrei Gawrilov

by RONALD CRICHTON

For their London concert on Monday Paavo Berglund and the Bournemouth Symphony Orchestra brought as soloist the young Russian pianist, Andrei Gawrilov, winner of the 1974 Chaikovsky competition, who appeared with them on a recent tour of Finland. Now that Mr. Gawrilov has reached London, we shall surely hear more of him. He is one of those Slavonic artists gifted with such naturalness of execution that one concludes they were born within reach of their predestined instrument.

To the credit of everyone concerned he chose, not one of the regular warhorses but two concertos of the present century, one-movement works of notorious difficulty, otherwise as unlike as chalk and cheese. Prokofiev's First Concerto was written at the age (20) which Mr. Gawrilov has now reached. There are other young pianists about who have something of the tremendous energy and brio he poured into the work, but few with his effortless strength and easy technical mastery.

The Prokofiev revealed that among his trump cards is one of those Russian left hands (shades of Rakhmaninov) that can produce quantities of velvety tone that never hardens in the wrong place. The discovery whetted the appetite for the second item, Ravel's Concerto for the Left Hand. Expectations were not disappointed. It would be wrong to claim that Mr. Gawrilov has already mastered the style of this highly sophisticated music or to deny that at moments the orchestra seemed to have Prokofiev rather than Ravel in mind, but the work came over as big music, not mere clockwork. In the long cadenza towards the end Mr. Gawrilov showed beyond a doubt that lyricism and poetry are also in his grasp.

The purely orchestral contribution was the Second Symphony of Sibelius. The Bournemouth Orchestra were playing well, with firm ensemble and a rounded solidity of tone not often heard in this country. The reading, as one would expect from so experienced a Sibelian as Mr. Berglund, was eminently sane. Too sane, perhaps—a touch more of wildness in the knotted, wrestling phrases of the slow movement, a fiercer, more unpredictable gale in the scherzo and finale, would have lifted the performance onto more exciting plane.

Purcell Room

Susan Kessler

by ELIZABETH FORBES

Susan Kessler, the Australian mezzo-soprano who gave a recital in the Purcell Room on Monday has many of the qualities needed to make a fine *Lieder* singer: a securely-placed, well-managed voice whose timbre, warm and mellow in the middle and lower registers, acquires a powerful though not unpleasant edge at the top: excellent, clear but unforced enunciation; and a real gift for characterisation, for extracting the dramatic essence from a song's text as well as from its setting.

This last attribute, allied to a strong comic sense, was much in evidence on Monday, as Miss Kessler's programme contained a high proportion of light or humorous songs. Mahler's "Starke Einbildungskraft," in which the donkey judges a singing competition between a cuckoo and a nightingale, was a particularly good example. The text, which can sound singularly unfunny, was presented so naturally and with such enjoyment by the singer that one could not but share her pleasure. The same composer's "Hans und Grethe", potentially an even more embarrassing song, was also quite delightful.

That Miss Kessler can sustain the mood in more serious songs was demonstrated in five of Schumann's settings of the *Lieder de Mignon* from Goethe's *Wilhelm Meister*. These versions of the frequently-set lyrics are perhaps the most romantic of any, and they demand a total involvement from the singer. In "Kennst du das Land" and more particularly in "Nur wer die Sehnsucht kennt," her smoothly-drawn line, careful phrasing and obvious understanding, in the deeper sense, of the words, conveyed the full impact of Mignon's desolation and aching sense of loss.

In lighter vein, five Brahms *Mädchenlieder* were neatly characterised; "Vorschneller Schwur," about the girl who gave up flowers, wine and kissing, then immediately regretted it, and "Mädchenfluch," a song in which mother and daughter are at cross-purposes, both made the right, mischievous, teasing impression. David Syrus, Miss Kessler's helpful and devoted pianist, was excellent in the latter song, and also in Brahms' "Auf dem See" with its lovely, rippling accompaniment. The recital ended with some folksongs, including Britten's arrangement of "Sweet Polly Oliver," another dramatic miniature to stimulate the singer's imagination.

EUROPEAN NEWS

Pressure from developing countries on the West

BY REGINALD DALE — PARIS, Nov. 23.

THE DEVELOPING countries have stepped up pressure on the West in advance of next month's Organisation of Petroleum Exporting Countries oil price review by re-tabling demands for wide-scale debt relief, which they know to be unacceptable to the industrialised nations. The move was made by 19 developing countries here yesterday as the 27-nation, North-South dialogue between representatives of the world's rich and poor nations entered its crucial final stages.

Although the West is still trying to avoid publicly creating a direct link between the outcome of the dialogue here and the decision on oil prices due to be taken by OPEC Ministers in Qatar next month, the oil-producing countries have made it clear that price increases can only be moderated if the Paris talks result in significant western concessions by mid-December.

The developing countries' tactic appears to be to apply maximum pressure on the EEC to agree to concessions, on issues such as debt relief and raw materials prices, at the nine-nation summit meeting in The Hague on November 29 and 30, in the hope that the U.S. and Japan will then fall into line in time for the concluding ministerial session of the dialogue scheduled to open here on December 15.

The eight industrialised countries represented at the talks here are now showing signs of willingness to compromise on future debt relief arrangements for those worst afflicted. They are now prepared to offer more generous arrangements under which debtor countries could apply for relief before they reached the verge of bankruptcy, with the World Bank as an objective arbitrator. But the West is still not prepared to agree to the immediate generalised debt relief operation which the 19 developing countries again demanded here yesterday.

Officials at the talks say there is virtually no chance of the two positions being reconciled at the December Ministerial meeting, if both sides stick to their present line. One possibility, backed by the U.S., and the non-oil producing developing countries, would be to postpone the December meeting. But the oil producers want it to go ahead. The two co-chairmen of the conference, Sr. Manuel Perez Guerrero of Venezuela, and Mr. Allan MacEachen of Canada, are to meet here to-morrow to assess whether there is enough agreement for the meeting to go ahead.

The hope in some EEC circles is that the Hague summit can be induced to offer the developing countries significant concessions. The nine would then make it clear that, while they were willing to help, they would just not be able to afford to if oil prices rose by too much.

Soares suspends left-wingers

BY PAUL ELLMAN — LISBON, Nov. 23

PORTUGAL'S ruling Socialist Party has suspended five Left-wing militants who spearheaded a revolt against Government policies at the party congress three weeks ago. A statement from the Socialist secretariat said the five were being disciplined for maintaining in public their protest against the Prime Minister, Dr. Mario Soares, and his cabinet.

The suspensions highlighted the growing difficulties confronting Sr. Soares as he tries to keep his experiment in minority government alive in the face of a rapidly deteriorating economic situation and growing pressures from his opponents on the left and right.

One of the five whose membership has been put on ice is Sr. Aires Rodrigues, a deputy in the National Assembly, who formally moved a motion condemning the Cabinet's austerity measures.

The motion attracted the support of a quarter of the delegates at the congress and their revolt is expected to cost the Socialists dearly at local elections scheduled for December 12.

Dr. Soares, who held prolonged discussions yesterday with Dr. Francisco Sa Carneiro, leader of the Social Democrats, the second biggest grouping in the National Assembly, has insisted that the Cabinet will not be diverted from the economic path it has chosen.

As a reward for measures aimed at restoring factory floor discipline and curbing Communist control over the trade unions, the Soares Government was last week granted a $300m. U.S. emergency loan.

The measures, however, are now showing signs of proving ineffective, with the National Labour Confederation, the Intersindical, showing no signs of splitting apart under pressure from white collar unions allied to the Socialist Party.

And with unemployment running at 15 per cent. or more, and inflation at 35 per cent., widespread abstentions and defections are expected among working class voters in the local elections.

The Socialist leadership has let it be known that party members who ally themselves with the People's United Front set up under the aegis of the Communist Party can expect to be disciplined.

Reuter

Drivers' strike hits Danish economy

COPENHAGEN, Nov. 23.

A LORRY drivers' strike has caused a shortage of petrol and heating fuel, cut postal and air services, reduced the supply of milk and cut off the export of bacon. The Government said the strike was illegal.

Premier Mr. Anker Joergensen, leading a minority Social Democrat Government, said today "I cannot see yet any political initiatives to prevent the conflict. The Government cannot accept a breach in industrial agreements, and we cannot allow our economic policies to be broken into small pieces." A union official said the strike will continue until at least Thursday.

The strike began on October 18 at Kastrup Airport and has since grown to include most lorry drivers. The airport drivers wanted a wage increase of Kr.10 (£1) an hour, a 33 per cent. increase. Parliament has decreed that any increase given after March, 1977, should be limited to 2 per cent. over two years.

UPI

Malta move unexplained

By Godfrey Grima

BRITAIN HAS withdrawn its acting High Commissioner from Malta, Mr. Arthur H. Wyatt. There has been no official explanation for the move but authoritive sources said it had become difficult to maintain a working relationship with Mr. Mintoff's Labour Government.

A Malta Government official would only deny that any pressure had been exerted for Mr. Wyatt's removal. A spokesman for the Government's information service said that Mr. Wyatt had apparently been given another appointment which was normal in the diplomatic service.

Mr. Wyatt has been deputising since Britain's last High Commissioner here, Mr. Robin Haydon, left in the summer to take over as Ambassador to Ireland.

Italian Cabinet drops proposals to freeze benefits, salaries

BY ANTHONY ROBINSON — ROME, Nov. 23.

THE ITALIAN Cabinet decided at a special meeting to-day to drop the Government's proposal to freeze all increases in salary and benefits above L8m. annually accompanied by a 50 per cent. freeze on salaries between L6m. and L8m. annually. It decided instead to revert to its original proposal to freeze only the cost of living index increases on such salaries.

This follows hostility to the proposal by the unions, who belatedly realised that several of their own members in industries like chemicals would be affected, and by left wing elements of the Christian Democrat Party itself, as well as the Communists and Socialists.

On the surface, therefore, this looks like a climb-down by the Andreotti Government, although informed sources within the administration suggest that the Government never really expected to get this through but has succeeded in this way to "talk about the hitherto untalkable." This is borne out by the fact that the Government has followed the decision with an announcement that it is to ask the employers and unions to look further into the question as part of the broader dialogue now taking place between the two over ways and means of raising productivity and reducing unit costs of production. These negotiations resume later this week.

As things stand, 50 per cent. of the cost of living increases on salaries between six and eight million and all the cost of living increases in salaries above eight million annually will be compulsorily invested in treasury bills and frozen for five years.

Our foreign staff adds: Sig. Arnaldo Forlani, the Italian Foreign Minister, arrived in London for a two-day visit during which he will meet the Foreign Secretary, Mr. Anthony Crosland, and the Prime Minister. Discussions are expected to focus on the Common Market, and on the possible delay of the elections for the European Parliament. During the first nine months of this year, U.K. exports to Italy totalled £588.1m., whereas imports from Italy amounted to £783.2m.

Anti-Communist gains in Italy

BY ANTHONY ROBINSON — ROME, Nov. 23.

THE RADICAL, anti-Communist wing of the Christian Democrat Party, led by a young Milanese lawyer and first-time deputy, Massimo de Carolis, has just won control over the party machine in Milan, in a move which promises to be of considerable significance for the future of Italian politics.

It has been paralleled by the results of the first elections for the so-called Consigli di Quartiere, or local neighbourhood advisory councils, in the nearby city of Novara. Here the Christian Democrats have made considerable gains compared with their vote in the same city at last June's general elections, while the left-wing parties have seen their share of the poll drop from 56 to 49 per cent.

The poll was lower, and the type of election different, but both developments appear to indicate a considerable groundswell of militant anti-Communism at the Christian Democratic grass-roots.

It is a groundswell which appears to be strongest in those areas of Northern Italy in which the Communist Party made considerable progress both in the 1975 regional and local elections and at the June general elections. Their election losses have, for the first time in 30 years, given the Christian Democrats more time and energy to devote to internal party matters and this appears to be causing the emergence of a new breed of young, active anti-Communist leaders like Sig. de Carolis in Milan, Sig. Rossi di Montelera in Turin and the mushroom growth of populist Catholic flanking movements like Comunione e Liberazione.

This has been accompanied by the efforts of "technocrats," exemplified by Fiat managing director Umberto Agnelli, determined to give a modern, European form to the party. Sig. Agnelli's technocratic group, called the "Hiltonians" after their first meeting three months ago at the Hilton Hotel in Rome, is due to hold a second meeting in Rome this week-end.

This resurgence of radical anti-Communism and moderate technocratic reformism within the party has been accompanied furthermore by a series of attacks on the present Government and the Zaccagnini Party leadership from men such as Senate Chairman Amintore Fanfani and by Foreign Minister Arnaldo Forlani, a potential Centrist candidate for the party secretaryship.

Spanish teachers' strike sends pupils home

BY ROGER MATTHEWS — MADRID, Nov. 23.

NEARLY 3m. Spanish schoolchildren were without classes to-day as more than 70,000 teachers began an indefinite nationwide strike in support of a substantial pay claim.

The Government, having finally scheduled the referendum on political reform for December 15, is anxious to get the teachers back as quickly as possible to avoid serious social disruption. It appears considerably less concerned over industrial disputes although strikes in several major sectors are forecast for the next two weeks.

Opposition parties met to-day to decide their stand on the referendum but although some parties are considering a determined campaign for abstentions, others appear likely merely to ignore it. They say the regime is certain to win, anyway, because it has all the means at its disposal.

Opposition parties are also seeking to elect a single group of representatives to force the Government into negotiations on the electoral law which has still to be drawn up.

Police fired shots into the air in Madrid last night to break up a hostile crowd after they arrested two members of the Communist Party for distributing propaganda. A total of 18 Communist were arrested in the capital on the first day of the party's attempt to gain members and force the Government into legalising it. Several of those detained were later released.

Meanwhile, King Juan Carlos in a surprise move reinstated and promoted a brigade general, General Aranda Mata, sacked by General Franco in 1949. The decision could have important implications for many other people summarily dealt with by the former head of state.

At the same time, it has been learned that two generals who were to be retired early at Government request for their political activities, may now escape punishment.

Spotlight taken off Brezhnev

BUCHAREST, Nov. 23.

SOVIET LEADER Mr. Leonid Brezhnev and Romanian President Mr. Nicolae Ceausescu spent much of to-day in formal talks, but the Romanians shifted some of the spotlight from their Russian guest to the U.S. Commerce Secretary Mr. Elliot Richardson, who arrived on Sunday to sign a U.S.-Romanian trade pact.

Mr. Richardson's meeting with Foreign Minister Mr. George Macovescu, and earlier ones with Mr. Ceausescu and Deputy Premier Mr. Ion Patan, emphasised Romanian determination to retain some independence from the Kremlin, within the Soviet bloc.

Mr. Brezhnev and Mr. Ceausescu publicly acknowledged that differences between the two countries exist, but dismissed them as non-essential, and pledged to work for further co-operation. Mr. Brezhnev was in the second day of a three-day official visit. He will stay on for the two-day Warsaw Pact summit meeting, beginning on Thursday.

● The Uppsala Seismological Institute in Sweden reported to-day that it had recorded an underground nuclear explosion, with a 6.8 Richter scale magnitude, in a Soviet test area in Siberia.

UPI

New Soviet trade union leader

MOSCOW, Nov. 23.

THE Soviet Union has named a new trade union leader, filling the job which has been left vacant since last year when Mr. Alexander Shelepin, a former secret police chief, was ousted from the Kremlin leadership.

The Tass news agency said the new trade union leader is Mr. Alexei Shibayev, 61, a member of the Central Committee of the Communist Party, but otherwise unknown to Western analysts.

Diplomats said it was unclear whether Mr. Shibayev would hold a central leadership position in addition to the trade union job, as Mr. Shelepin did.

Mr. Shelepin, 57, was once considered a possible successor to party leader Leonid Brezhnev.

Polish crack-down on currency deals

WARSAW, Nov. 23.

POLISH authorities warned to-day that they will take tougher measures against the illegal exchange of U.S. dollars, and other hard currency black market activities. Foreign tourists visiting Poland have noticed increasing activities on an expanding hard currency black market. They were offered 100 zlotys by black market dealers for $1, compared to the tourist exchange rate of 33 zlotys to the dollar.

Some 300,000 Poles have opened hard currency accounts in recent years. This trend increased a few weeks ago when the State extended permission to open hard currency accounts, even for those who cannot specify the source of the money.

UPI

ANDRE MALRAUX DEAD AT 75

Man of letters and causes

BY DAVID CURRY — PARIS, Nov. 23.

ANDRE MALRAUX, the French writer whose life and writings chronicled the great ideological struggles of this century, died this morning in a Paris hospital of a lung infection, at the age of 75.

After a pre-war career which saw him variously plundering the temples of Cambodia, participating in the civil struggles in China in the 1920s, and fighting for the Republicans in the Spanish Civil War, André Malraux formed a strong tie of kinship with General de Gaulle, based on the attraction of men who recognise each other's greatness in different spheres, and of men who each cherish an idea.

With his commitment to the Chinese and Spanish struggles, his career in the French Resistance and then the Alsace-Lorraine Brigade (that polyglot army of Frenchmen who went back to war in 1944 in borrowed uniforms and captured weapons) and his ten years as a Gaullist Minister Malraux summed up that French ideal of the man of action and of reflection, the soldier of fortune and the philosopher, the idealist with the touch of the rogue, which turned him into a cultural idol and made him the mentor of a generation of Frenchmen.

Among a substantial literary and critical output, his reputation rests essentially on two works: La Condition Humaine, and L'Espoir. The first, published in 1932 and about the Chinese Civil War, brought the 32-year-old author rapid fame in Paris. The second, which appeared in 1939, recounted emotional early days of the Spanish Civil War which affected so deeply the consciousness of the inter-war generation.

M. André Malraux

Malraux was born in Paris in 1901. As a gilded youth, he studied archaeology and, after frittering away the money of his first wife, the daughter of a well-to-do German Jewish family, took himself off to Cambodia on an archeological trip. The discovery of 1 tonne of works of art in his luggage landed him in jail, and it took all the importuning of his wife and the influence of his Paris connections to get him out. He soon disappeared back into China, and his experience of the Kuomintang revolution was the inspiration behind La Condition Humaine.

In the 1930s, Malraux, the convinced but eclectic Communist, the wry and questioning agnostic, became one of the Communist International intellectual set before plunging into the Spanish War to organise the volunteer foreign air force. Wounded in Spain, he campaigned in Europe for the Republicans, was called up on the outbreak of war with Germany, and was captured. He escaped, joined the Resistance, was captured again, liberated, and finally he established his first alliance with General de Gaulle as the latter's Information Minister in his short-lived post-war Government.

With the second coming of Gaullism in 1958, Malraux became Minister of Culture and the intellectual prompter of the General, his Communist, though not his radical and critical leanings, left behind. He presided over a resurgence of Paris cultural life, but made his mark on the capital with his order to clean up the monuments of Paris.

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THE MIDDLE EAST

The $250m. loan announced by Chase Manhattan on Monday will make scarcely a dent in Egypt's expected $3½bn. balance of payments deficit for 1976. Every year it borrows more, imports more and produces proportionately less. Hardly surprising then, reports Cairo correspondent Michael Tingay, that foreign investors are . . .

Ignoring Egypt's open door

EVERY HOUR Cairo's bakers turn out 1m. loaves to feed the city's 8½m. for whom the flat discs of Arab bread are their staple diet. This astonishing output says a lot about Egypt's problems.

Every year Egyptians eat progressively more than they grow, export fewer food crops than the year before, import more wheat and flour than they can afford and borrow more than they can repay. Every year they believe things will improve next year.

Three years ago, President Anwar el Sadat publicly formulated his ideas for change in what came to be known as the "open door" policy. Seen in hindsight as the product of distaste for the Soviet and Nasserite heritage, the policy reflected equally a top-level realisation that Moscow, itself looking for funds in the West, would never provide the capital needed for swift industrialisation. And it was industrial development which was seen as the key to modernisation and development.

Insofar as the open door removed the worst excesses of the police state, freed the articulate from their fear of speaking their minds, encouraged long-suppressed entrepreneurial skills and brought brighter, better-stocked shop windows, the policy has succeeded. Insofar as they hoped to inject foreign capital into the economy to encourage swift economic development through industrialisation, it has conspicuously failed.

Attention has been focused on the failure by a recent report of the U.S.-Egyptian Business Council which spelled out in witheringly frank appraisal the investment position why foreign capital has not been moving. Singling out one specific deterrent from dozens, the report advised that permitting foreign capital to be taken out of Egypt at the same exchange rate as it is brought in would alone make a substantial difference.

Last week, the semi-official Egyptian Press reported that this anomaly would be removed under amendments soon to be made by Dr. Abdul Moneim el Kaissouny, who has just been seconded from the Arab International Bank to become Deputy Prime Minister for Economic Affairs.

One of the big surprises of the cabinet changes—and one which the foreign investor may regard as a significant omen—was the departure of Mr. Osman Ahmed Osman, the Minister of Reconstructions and Egypt's most successful entrepreneur. He, above all others, epitomised the open-door policy.

Overshadowing all this, however, is the growing realisation among Egypt's creditors and backers that the country has no recognisable strategy for economic development. In a sense this is the result of the open-door policy, which provoked a return to unbridled capitalism.

One major problem has involved the growing pressures on Egypt to put its house in order by an increasingly impatient Arab world.

Kuwait and Saudi Arabia late last year cut back on aid promises, saying that Egypt should follow directives from the IMF. In May, Egypt agreed to set up a commercial market for foreign exchange as part of a package of reforms. By August, the authorities had concluded that the price rises these would trigger could cause serious social unrest and threaten political stability. This is a valid conclusion considering the typical monthly wage of £E18 (about $25) can barely feed a family, let alone provide clothes and extras.

At the heart of IMF requirements is that Egypt cut down on borrowing (both foreign loans and internal deficit financing). External debt rose this year to more than $5bn. including short-term bank borrowing for which the country pays almost $4m. a week in interest. Deficit financing now appears out of control with the treasury deficit equivalent to $2.5bn. (calculated at official exchange rate).

The crunch on debts will come in January at a meeting in Paris of Egypt's creditors chaired by the World Bank. The latest Egyptian thinking is that the country cannot afford repayments anyway, even if further debt rescheduling were to be granted. The outcome of the Paris meeting may be that Egypt is forced to have outsiders dictate its economic policy.

Financial mismanagement has sorely tried the patience of Arab oil surplus countries who are no longer prepared to pour dollars down Egypt's open drain and have not so far responded to Cairo's call for a "Marshal Plan" for Egypt.

To make matters worse Egypt, an agricultural country, is facing an unprecedented agricultural crisis. Every month a rising water table (possibly caused by equalisation of the hydrostatic pressure built up behind the Aswan High Dam) reduces the yield of crops. A World Bank scheme to fight this with tile drainage is far behind schedule. But each year agriculture gets proportionately less current and capital expenditure than other sectors.

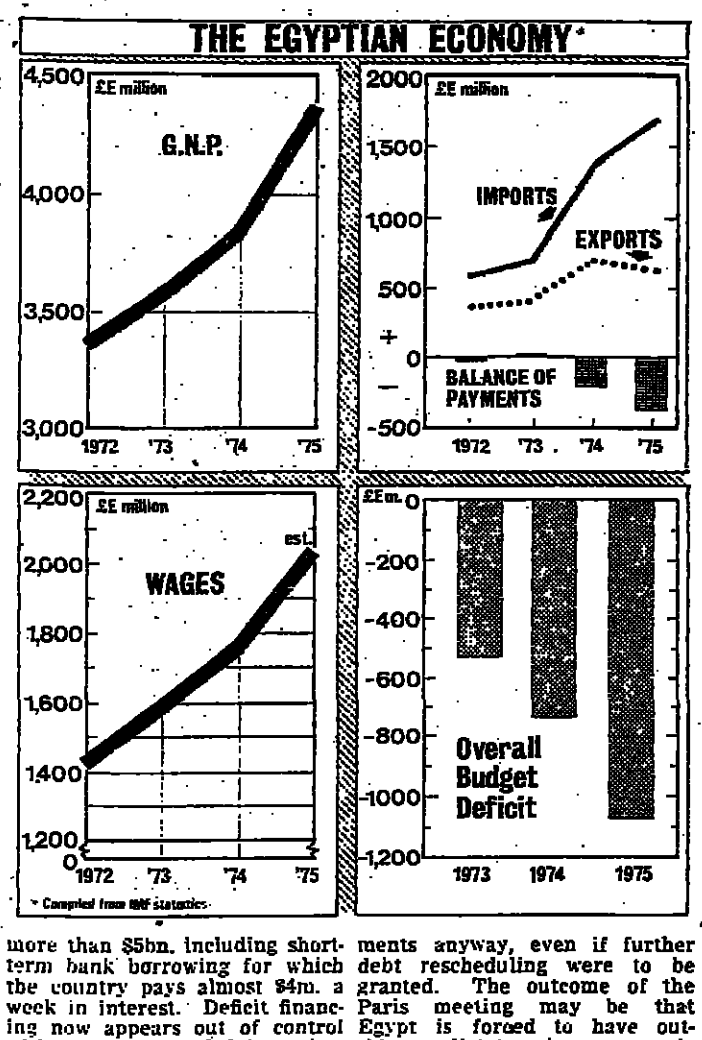
Three-quarters of Egypt's exports are paid for in non-convertible currency agreements (though these are being terminated rapidly with IMF encouragement). But three-quarters of imports come from convertible currency countries.

Another major problem is the shortage of skilled labour. The Government bemoans the bureaucracy but has just made way for more than 170,000 graduates to swell the 4½m. civil servants and public employees, a large number of whom have nothing constructive to do. Fresh wage rises are due in the new year which are certain to be inflationary.

Inflation runs at about 15 per cent. for the poorest people, who do little more than eat beans and bread. For salaried workers above the bread line who are exposed to rising prices in non-essential goods, inflation is nearly 30 per cent. For the rich middle class and the foreigners it must be nearer 50 per cent. a year.

But the fact of the matter is that the open door policy has so far been little more than a statement of intent. Foreign investment has not come to Egypt in any major way and is unlikely to do so until the Government works out a coherent economic policy—with the necessary measures, however harsh—and is willing to face the political consequences of that policy.

THE EGYPTIAN ECONOMY*



* Compiled from IMF statistics

Tel Aviv warning to Syria over frontier

TEL AVIV, Nov. 23.

ISRAELI tanks and artillery were standing by along the country's northern border to-day, as a warning to Syria not to mass forces in southern Lebanon.

Extra infantry and armour were moved north yesterday. Israel fears that Syrian forces in Lebanon—believed here to number 30,000 troops with at least 300 tanks—might move in strength into the region. The Israelis were concerned by two rocket and bazooka attacks across the frontier during the week-end after a lull of nearly a year.

They said they would not tolerate the return of Arab guerillas, nor a large influx of Syrian troops, to positions just north of the mountainous frontier. Mr. Yitzhak Rabin, the Israeli Prime Minister, was reported by the Israeli media to have warned Syria through the U.S. that Israel would not stand by if Syrian forces advanced beyond the Litani river, which runs roughly parallel to the border and a few miles from it.

Israel insists that the area south of the river—a springboard for numerous Arab guerilla attacks in the past—should not revert to this status now that a ceasefire has come to Lebanon. But military sources stressed that the reinforcements were defensive in nature. The sources said the Syrians had taken control of the two main highways leading into Israel—the coastal road near the Mediterranean, and the road leading to Metullah, Israel's northern-most township, in the mountains to the east.

Israel would be willing to accept a limited influx of Syrian forces necessary to keep order in the border region and to prevent activities by Arab guerilla bands, the sources said.
Reuter

Israel awaits an Arab reply to peace moves

BY L. DANIEL

TEL AVIV, Nov. 23.

THE POLITICAL ball is now in the Arab court, following Israeli Premier Mr. Yitzhak Rabin's tardy, but twice-repeated, offer to discuss Egyptian President Anwar Sadat's peace proposals "at any time, anywhere," it is considered by official circles in Jerusalem.

Mr. Rabin's offer has since been backed up by Israeli Foreign Minister, Mr. Yigal Allon, who, in interviews with Dutch and West German television during the past 48 hours, suggested that a meeting should take place between him and his Egyptian counterpart, Mr. Fahmy, next week, in Geneva or any other mutually agreeable place. Similarly, the Israeli Government, in its note to the UN Secretary General, matching the Syrian agreement for the extension of the UN forces mandate on the Golan Heights for another six months, pointed out that it had submitted proposals to Damascus for negotiations to end the state of war months ago, but had received no reply.

These proposals were conveyed through Washington, which is also the channel for two recent Israeli warnings that a massive Syrian military presence in southern Lebanon will not be taken quiescently by Israel. The other warning was that, since Syrian forces now control the roads to southern Lebanon, Syria must be regarded as responsible for preventing terrorist incursions from Lebanon into Israel.

Clearly, if the Syrian forces are to control the Palestine Liberation Organisation forces in Southern Lebanon, there will have to be a Syrian presence there. The moot point is whether the Israeli Government would or would not object to a limited Syrian police force in, for instance, Tyre, provided that the U.S., too, is concerned about a possible massive Syrian or PLO presence near the Israeli-Lebanese border, since that might be the spark to set off the Middle East tinder box. The Israeli Ambassador to Washington is meeting Dr. Henry Kissinger, the U.S. Secretary of State, on the subject today.

Syria's movements in the Lebanon, and Egypt's reaction to Mr. Rabin's and Mr. Allon's offers for meetings to discuss progress towards an end of the state of war will show whether the Arab world is ready to accept the existence of Israel, it is believed in Jerusalem. The difference of opinion on the future borders of Israel and the fate of the Palestinians is as wide as ever, but readiness to talk would indicate that it was decided at Rhodin to try to explore the political avenue to the full, rather than resort to the military one at this stage, it is thought.

One thing is clear—events are moving much faster than had been expected. Those who held that there would be a lull in political activity for several months to come, till the Carter Administration is really settled in, have now had to change their minds. The close contacts being maintained by the U.S. President-elect with Dr. Kissinger and the White House indicate that there will be no interregnum in the U.S.-sponsored moves towards what may well be a dictated settlement.

Name change for Libya

TRIPOLI, Nov. 23.

LIBYAN HEAD of State Muammar al-Khedaffi has changed his country's official name, and Libya's ruling body is discussing moves to make major constitutional changes, Libya's Arna news agency said to-day. Col. Khedaffi announced yesterday at a meeting of the General People's Congress here that the official name of the Libyan Arab Republic will now be the Libyan Arab People's Republic.

The Congress meeting will decide whether to accept a draft declaration which will radically change the constitution. Under the draft, submitted by the Ministry of Justice, the Prime Minister and other Ministers, previously appointed by the Revolutionary Command Council, would be appointed by the Congress. The aim was to establish popular democracy where the people would make decisions, legislate and rule, the agency said.
Reuter

THE CAMPAIGN AGAINST MADAME MAO

Madonna of the Shanghai Express

BY COLINA MACDOUGALL AND PAUL BETTS

THE CHINESE PEOPLE, from all accounts, are hugely enjoying the tales of scandal and intrigue that are appearing these days with obsessive regularity in China's official Press. Up to now it had been the exclusive privilege of those living in Hong Kong to delight in the stories of corruption and decadence in Peking and Shanghai that fill the columns almost every day of the colony's Right-wing Chinese newspapers.

Traditionally, China's official Press is bereft of gossip, devoting column inches to austere considerations of state, philosophy, economics and morality. Now, in a highly personalised campaign smacking of a witch-hunt, it reads more like a turn-of-the-century scurrilous French serial starring Chiang Ching, the widow of Chairman Mao, cast in the role of a madonna of the sleeping cars of the Shanghai Express — the femme fatale travelling from palace to palace and bed to bed.

The "diary of Madame Mao" undoubtedly makes lively reading. Only yesterday the official Hsinhua news agency, writing about Mme. Mao and the so-called "gang of four" or the "new capitalist roaders," was saying that she was a "big careerist" who "prostrated herself in admiration before Western bougeois things." It then carried what amounted to an exposure of her early career as a film actress, alleging that she climbed up the Shanghai film industry ladder by sleeping with the most powerful men around (her first husband was a film critic), and how after starring in a flop called "Bloodshed on wolf mountain" she turned to her advantage the fact that she was not chosen as the leading lady in a play called "sai-chin-hua" by accusing the production of "glorifying a traitor prostitute who sold herself body and soul to imperialist invaders."

There are stories of how Madame Mao, eight months pregnant, burst into the middle of a Central Committee meeting in Yenan in 1940 and proclaimed that "the Chairman Mao and I have started living together," and how the Central Committee, taking a dim view of this Shanghai groupie, insisted that she should not appear in public life for 20 years should she marry Chairman Mao.

She did—and when the 20 years were up, she took over the running of Chinese palace politics, "modelling herself on the Empress Wu of the Tang dynasty." She feasted on golden carp; she ordered a Canton shipyard to close because the noise disturbed her; she had a forest cut down because it obstructed her view; she had an electrician tortured for not providing an adequate heater in her bedroom; she drank saffron water.

She imported obscene films, over 500 of them, compelling dignitaries to watch them at special "blue movie sessions." The films, according to the official Press, included "Henry VIII and his Six Wives," "Great Expectations" and "Lady Caroline Lamb."

More seriously, she masterminded a number of assassinations: most recently, in July, that of a nonagenarian Chinese Communist Chu Teh, who mysteriously died in a car crash. And when Chairman Mao was dying she was "having fun and playing poker." Chairman Mao, we are also told, hardly saw her at the end of his life. Last year he was

Chiang Ching

reported saying: "It is pointless our seeing each other. What do you (Ching) do with my books and the ideals of Marxism? You don't read them. . . . All you do is make enemies."

These stories are just one aspect of the current campaign of vilification against the 63-year-old widow who was arrested last month together with her leftist political supporters. According to China watchers, the campaign against Madame Mao has been more vicious and personal than against any other Chinese political leader although, during the Cultural Revolution, the then capitalist roader Liu Schao-chi was lampooned in a cartoon sitting with his wife on a donkey.

The attacks on Madame Mao, however, have contained almost Confucian overtones of sexism and in Tachai, hairman Mao's model commune, posters show her wearing bikinis and the briefest of mini skirts. The "gang of four," the Chinese are told, "spent money like dirt, led dissolute lives, indulged in eating and drinking and watching old operas and vulgar films."

These themes all feature on the posters that have appeared on street walls, courtrooms and police stations. Some depict Madame Mao in postures so undignified that they verge on the obscene. The radio, meanwhile, has plugged away at Madame Mao's taste for the latest Paris fashions, perfume and Hong Kong beauty salons. She is reported to have had an indecent taste for expensive wigs.

A fairer assessment of Mme. Mao is likely to emerge from a biography currently being written by an American scholar, Professor Roxan Witke, who interviewed her in the early 70s. Mme. Mao is reputed to have told Prof. Witke that as a woman she did not stand much chance in China's male chauvinist society. And it is perhaps significant that her first major theatrical role was Nora, the prototype of the emancipated woman, in Ibsen's "The Doll's House."

Behind the present campaign against Madame Mao there seems to lie a fundamental change in Chinese official attitudes and a move to make the lives of public figures more public. Yesterday, for instance, the People's Daily disclosed that the newly appointed Party Chairman, Hua Kuo-feng, has a wife and family. In a front page article, the newspaper reported that one of Mr. Hua's daughters graduated from Peking's 166 Middle School in 1974. It named her as Hsiao-li or "Little Li."

Publicity

Since his appointment, the official Press has gradually told the Chinese people more about the new Chairman. And in yesterday's article, the People's Daily explained that Chairman Mao had instructed before his death that Mr. Hua should be given publicity "to make him known to the people of the whole country step by step."

Details of how Little Li was sent out in the country to work in an agricultural production brigade were given in a broadcast yesterday and Mr. Hua said "in accordance with Chairman Mao's instructions, we revolutionary parents should send our own children to villages in the countryside. My daughter is my youngest girl, and soon none of our daughters will be left, but I favour sending her to the country as Chairman Mao directs."

The Chinese Press is beginning to read like William Hickey.

Cambodians in border clash with Thailand

BANGKOK, Nov. 23.

SEVERAL Cambodians were believed killed in a border clash between Thai patrol police and Khmer Rouge soldiers, a police spokesman said to-day.

The fighting at Hat Lek district, in the south-eastern coastal province of Trat, started yesterday when Cambodians laying border demarcation barbed wire intruded into Thai territory, he said.

The exact number of Cambodian casualties remained unknown several hours after news of the clash reached Bangkok. The spokesman earlier said many Cambodians had been killed, but there was no way of gauging the scale of the fighting or casualties.

There was no report of casualties among the Thai forces which were supported during the action by three naval ships offshore.

Newspaper reports said Khmer Rouge soldiers on Sunday began to mobilise at the site after an inspection of the area last week by Thai Prime Minister Thanin Kraivichien. The reports said more than 1,000 Thai villagers were evacuated before fighting erupted

Hat Lek has been the scene of frequent clashes between troops of the two countries over border demarcation disputes. There was no report of the clash on the Cambodian radio, the only source of official news from the communist-run country.

Reuter

Vietnamese to allow 49% foreign control

BY OUR FOREIGN STAFF

THE Vietnamese Government is reported to be planning to open the country to foreign investment and is preparing legislation to allow up to 49 per cent. foreign ownership of investments in the country.

A report to-day in the English language newspaper the Singapore Straits Times quoted Mr. Le Van Mau, Hanoi's senior trade representative in Singapore, saying the proposed legislation is the latest in a series of measures designed to stimulate economic growth and development in Vietnam.

According to a Reuter report, Mr. Mau was not available for comment but diplomatic sources in Singapore said they understood that he had just returned from Hanoi and that the Straits Times report was accurate.

The diplomats, and industry sources, said the Vietnamese Government has for some time been indicating an increasing interest in long term foreign investment from the West to help in development and construction programmes.

The Government, while recognising it must depend on foreign aid to rebuild after the long war years, also clearly recognises the need to diversify the sources of such aid. The Chinese maintain a limited aid programme while the USSR offers more than the Vietnamese apparently consider it prudent to accept.

The Vietnamese are anxious to improve relations with the U.S. and to secure the aid and compensation that would follow e tablishment of normal diplomatic relations, but progress here has been consistently held up by the issue of the nearly 800 U.S. soldiers still listed as missing in action in Vietnam.

The first direct talks between U.S. and communist Vietnamese representatives since the peace talks of 1973 took pl[ace] Neuilly, France, on Novem[ber] but so far no clear progre[ss has] been reported from this m[eeting].

The new investment [law is] expected to be passed soo[n and] provide a framework for p[rivate] interests seeking to inve[st in] Vietnamese projects such [as oil] development.

Foreigners will be able t[o hold] between 30 and 49 per c[ent of] investments in Vietnam, l[eaving] the Government with the [con]trolling interest.

The Government has ca[ncelled] oil concessions granted [by the] former Nguyen Van Thie[u Gov]ernment in South Vietna[m but] has given favourable respo[nse to] overtures by French [and] Japanese interests.

U.S. oil companies, whic[h] put up most of the est[imated] $100m. spent on explor[ing] Vietnamese reserves, [are] believed to be maintain[ing] contact with Hanoi pend[ing a] solution to the dipl[omatic] problems.

Earlier this month the [...] oil services company Com[...] it signed a letter of inten[t with] the Vietnamese governm[ent to] establish a service port [for off]shore companies by mid-1[977].

Other Vietnamese Gover[nment] measures to stimulate ec[onomic] development have inclu[ded a] vigorous drive to promot[e tour]ism and several dipl[omatic] initiatives to improve re[lations] with neighbouring South[-East] Asian countries. Malays[ia has] promised to help the Vietn[amese] revive their rubber plan[tations] and develop a palm oil in[dustry.] fishery and offshore oil e[xplora]tions projects have bee[n dis]cussed with Indonesia [and] Singapore, talks have c[oncen]trated on increasing bi[lateral] trade.

India prepares energy plan to cut oil use

By Our Own Correspondent

NEW DELHI, Nov. 23.

A MASTER plan on energy and fuel, with its accent shifting away from oil and focussing on coal and other energy sources, is being prepared by officials for consideration by a new Indian Cabinet committee on energy.

When finalised shortly, the master plan will initiate speedy measures on further developing energy sources other than oil, which will be particularly significant in view of the anticipated rise in crude oil prices.

Meanwhile, Prime Minister Indira Gandhi has told the ruling Congress Party's annual session at Gauhati in Assam State that oil has been struck at Damulgaon in Assam and Borhola in Nagaland. The Damulgaon oil find is in a structural saddle between the oilfields at Rudrasagar and those at Lakwa and Lakwani, and present indications are that wells there will produce 80 tonnes a day.

Alarm in New Delhi on arms for Pakistan

By K. K. Sharma

NEW DELHI, No[v. 23.]

INDIA has told the U.S. [of its] serious misgivings over [Wash]ington's offer of lon[g-range] bomber aircraft to Pakista[n. It] is reported to have said t[he] offer is "ill-timed and i[nop]tune," because Indo-P[akistan] relations are stabilising.

The Indian view was co[nveyed] to the U.S. Charge d'A[ffaires] who was summoned t[o the] Foreign Office over the we[ekend.] The U.S. offer is believe[d to be] for 110 highly sophis[ticated] bombers, and was made a[s a bid] to keep Pakistan from ac[quiring] a French nuclear repro[cessing] plant.

Pakistan has said so f[ar that] nothing will prevent i[t] acquiring the nuclear [plant.] India's view is that sur[ely] the U.S. aircraft will i[ntensify] the arms race in th[e sub]continent, thereby settin[g back] the normalisation of re[lations] with Pakistan, which ha[s made] important strides in the p[ast] months.

More S. Africans banne[d]

SOUTH AFRICAN security police yesterday served restriction orders on eight Cape Town residents under the Internal Security Act, bringing to 21 the number of people banned under the Act in the past fortnight, John Stewart reports from Cape Town.

As in the cases in Johannesburg and Durban, the latest orders, effective for five years, are on people engaged in labour affairs and research. Six of them of students, teachers and employees of the University of Cape Town and two have trade union connections.

Guerilla group

AUTHORITIES have clamped a security blanket on the reported seizure of an armed guerilla group in Hong Kong but Japanese officials here said no Japanese were involved, Reuter reports from Honk Kong.

No French base

FRANCE does not intend to maintain a military base in Afars and Issas after independence next year, Overseas [Terri]tories Minister Olivier Sti[rn said] here yesterday, Reuter [reports] from Djibouti. M. Stirn s[aid] talks with local political [leaders] had led to an agreement o[n how] to achieve the indepe[ndence] next summer of the tiny [French] enclave at the mouth of t[he Red] Sea.

Shipping destroye[d]

TRADE UNION pressure [is] like destroying Aus[tralia's] coastal shipping industry [in the] same way that they see[m to] have destroyed the larg[e] building industry, the F[ederal] Transport Minister, Mr. [Peter] Nixon, said yesterday K[en] Randall reports from Ca[nberra].

Bishop's protest

FIVE Filipino bishops ye[sterday] protested against the d[eporta]tion of two American pries[ts and] the closure of two church [radio] stations in the south, wi[th a] martial law crackdown r[esulting] in the arrest of more th[an ...] persons, UPI reports [from] Manila.

'Opium king' imprisone[d]

BY OUR OWN CORRESPONDENT RANGOON, Nov. [23.]

BURMA'S 41-year-old "Opium King," Mr. Lo Hsing-han, has been sentenced to death (commuted to life imprisonment under the terms of the partial amnesty granted by the Government in 1974) on a charge of waging war against the Government. He has also been sentenced to life imprisonment on charges of smuggling opium, heroin, gold and arms from Burma. Lo made his fortune principally from the lucrative opium smuggling trade that flourishes in the "Golden Triangle," the wild, 60,000 square miles area where the Burmese, Laotian and Thai frontiers meet.

Lo was former chief of the 1,374-man local defence volunteer force of Kokang, a small constituent state in Burma's north-east frontier adjoining China. Though formed by the Government in the 1950s following the Kuomingtan (Nationalist) Chinese "invasion" of eastern Burma, the force was not paid for and equipped by the Government. Lo therefore took up opium-smuggling (with official approval, as he claimed at his trial) to find the 600,000 kyats (about £46,000) he r[equired] for the monthly upkeep [of his] men.

The scale of his oper[ations] grew so great, however t[hat he] was nicknamed "Opium [King"] in the early 1970s. La[ter he] also took to smuggling o[pium] and Mogok gems from B[urma,] bringing in gold bars, arm[s and] ammunition from acros[s the] border using mule ca[ravans,] motor-trucks and even a[ircraft] in his operations.

As Lo and his armed [men] came to assume the ro[le of] local warlords, the Gover[nment] ordered disbandment of his [force] in April, 1973. Lo respond[ed by] going underground with [about] 800 of his men.

His forces were defeat[ed by] Government troops, and L[o fled] across the border to Tha[iland.] Captured by Thai border p[olice,] he was repatriated to Bur[ma in] August, 1973. His capture [was] at the time hailed by poli[ce as] the biggest single victory s[o far] in international efforts to e[limi]nate the elusive and pow[erful] warlords of the "G[olden] Triangle."

President Carlos Andres Perez of Venezuela stands on attention under a statue of his country's nineteenth-century liberator, Simon Boliver, in Belgrave Square yesterday. Mr. Perez laid a wreath at the foot of the statue.

Venezuela pledges support for U.K.

BY HUGH O'SHAUGHNESSY

AS PRESIDENT Carlos Andres Perez of Venezuela expressed his faith in the strength of the British economy and pledged that that part of the Venezuelan monetary reserves that are kept in London would be left here, Britain and Venezuela initialled an economic and industrial co-operation agreement that could bring big new orders for British exporters.

"We are confident in the strength of Britain and its ability to get through the present temporary crisis. We are keeping part of our reserves in London and have no plans to move them," the President said at a Press conference yesterday on the third day of his official visit to Britain. Venezuelan reserves held in London are understood to amount to several hundred million dollars.

Earlier Mr. Edmund Dell, the Trade Secretary, Mr. Ted Rowlands, Minister of State at the Foreign and Commonwealth Office and Dr. Ramon Escovar Salom, the Venezuelan Foreign Minister, initialled a co-operation deal covering energy, transport, iron and steel making, petrochemicals, agriculture and fisheries, health and social services, environment and shipbuilding.

The two Governments, with help from the private sector, will promote the conclusion of contracts in these areas. At his news conference President Pérez made specific reference to the fact that the British industry could become a partner in his country's steel expansion plans and also play an active role in the aviation, shipbuilding and railway sectors. Britain was already collaborating in the building of the Caracas Metro, he pointed out.

In the specifically financial field the Venezuelan leader said that British banks would play a major role with other European banks in the issue next year of Venezuelan bonds to the amount of \$500m. or \$800m.

In the face of sustained questioning about his ideas on the size of the oil price rise to be decided upon by the Opec countries at next month's meeting in Qatar, the President refused to be pinned down to specific figures. He indicated that much would depend on the degree of agreement reached between the developing and the developed world at the current Conference on International Economic Co-operation, the North-South dialogue, which is drawing to a close in Paris.

While he expressed cautious optimism about the prospects for some agreement he warned of the gravity of the situation if the Third World's aspirations for a new international economic order were disappointed and the conference failed. He said that Opec might decree a temporary international price for oil which could be adjusted later in the light of the final result of the conference.

Venezuela, he said, did not want a confrontation with the developed world and would not press for an increase which would fully compensate for what it considered was the erosion of the purchasing power of its oil revenues. He did, however, say that he wanted greater agreement on measures which would safeguard the interests of the world's primary producers. He confessed that in his conversations with Mr. James Callaghan it had been impossible to reach full agreement on the question of the North-South dialogue.

New York to ask for more aid

BY JAY PALMER

NEW YORK, Nov. 23

A STRONG hint that New York City will shortly be asking for greatly increased financial help from both its municipal pension funds and its creditor banks was made late last night.

In a joint statement, both New York City Mayor Abraham Beame and New York State Governor Hugh Carey more or less ruled out the two other possible solutions to this city's revived financial crisis.

They both stressed that New York city would not be making any new appeal for direct Federal government aid "except as a last resort." At the same time the Governor emphasised that the state's own financial position is now too precarious for it to bail out the city yet again.

The immediate problem facing New York City is how to raise an estimated \$1.5bn. over the next few months to pay off individual investors holding city debt. The debt moratorium imposed last year halting interest and capital repayments of this debt was declared "unconstitutional" by a court last week.

However, any new plea for help to the banks and pension funds is not likely to receive a warm reception. The banks and union funds already hold about \$1bn. worth of short term city debt and further amounts of indirect city debt in the form of municipal assistance corporation notes.

Although the city's leading creditor banks are this morning maintaining a discrete silence on the subject of additional note purchasings, it is believed that most will resist strongly on the grounds that such additional holdings would violate their lending limits and, given the city's financial condition, their fiduciary responsibilities to shareholders.

The spokesmen for the city's largest unions were equally gloomy. "We are utterly pessimistic about taking any additional pension burdens," one commented. "We cannot be expected to pay the price of this city's problems."

Given the likely strong resistence on this front, many believe that the city's hard line against additional requests for Federal help to be a ploy. A spokesman for the mayor's office admitted that the city administration remains worried about giving the appearance of rushing to Washington for help before publically exploring other options.

Carter charms Congress

By Jurek Martin

WASHINGTON, Nov. 23.

MR. JIMMY CARTER, President-elect, turned his full charm on the Congress this morning and by all accounts captivated even some of the crustier members of the Foreign Relations Committee.

To-day Mr. Carter is meeting leaders of a Congress, both of whose Houses are overwhelmingly Democratic and which is expected to accord him something of a honeymoon when he takes office in January. Yesterday he conferred with the current administration.

Mr. Carter's great coup this morning was to give members of the Senate committee his private, unlisted telephone number in Plains, Georgia, telling them that they could call him any time they felt like it. This was something he used in the earliest stages of his Presidential campaign when he used to tell his far more humble audiences to write to him.

Amid all the euphoria, Senator Charles Percy, the Republican, did disclose that some matters of susbtance had been discussed.

"He would view with very grave seriousness a precipitate increase in oil prices," Sen. Percy said. "The developing countries simply could not afford a major increase in prices."

Soviet threat to U.S. satellites

BY DAVID BELL

WASHINGTON, Nov. 23.

THE PENTAGON to-day refused to comment on reports that the Soviet Union has tested two new devices designed to cripple or destroy enemy satellites in space. The reports—which have appeared in two American magazines—have excited considerable interest and officials concede privately that they are broadly accurate.

The reports suggest that the Soviet Union tested two separate devices, both of which have important implications for Western defence strategists because they raise the possibility that the satellites on which the West relies for early warning of Soviet actions could be neutralised rapidly in the event of a war.

The first device is a chemical laser which works by mixing gases such as hydrogen and fluorine and does not, like an earlier counterpart, need large amounts of electricity. According to a carefully-researched three-page article in Newsweek, at least one U.S. satellite was blinded for up to four hours on one occasion—by a laser of this kind.

The second weapon now reported to be under development is what is known as a Hunter spacecraft, which, somewhat like a jet fighter, can be launched to "chase" an already orbiting satellite and destroy it.

There has been very little public American comment on Soviet attempts to perfect new devices for a "war in space." But the Pentagon did concede last year that "we have recently been concerned about the survivability of our satellite systems and we are making an aggressive basic technology research effort to protect our satellites from this Soviet threat."

MEXICAN LAND EXPROPRIATION

Controversial move

BY ALAN RIDING IN MEXICO CITY

BY CARRYING out the largest land expropriation of his six-year administration just days before leaving office, President Luis Echeverria has further complicated the economic and political situation that President-elect Jose Lopez Portillo will inherit on December 1. Seen in isolation, last Friday's confiscation and distribution to landless peasants of 220,000 acres of the lush Yaqui valley in north-west Mexico was merely the belated application of the agrarian reform to a handful of wealthy and influential families. But in the context of a depressed agricultural sector, a crisis-ridden economy, an outgoing President anxious to hold on to power and an incoming President opposed to the break-up of large farming units, the expropriation was one of the most radical and controversial measures of the Echeverria regime.

As far back as his election campaign in 1969, Sr. Echeverria gave special emphasis to the need to improve the plight of the country's 28m. rural inhabitants, most of whom are living as miserably as their grandfathers did before the much-vaunted peasant revolution of 1910. And throughout his administration, he bombarded them with rhetoric, promising to help them and urging them to fight for their rights.

Yet, even though Mexico is arid and mountainous and sorely lacks cultivable land, the thrust of Sr. Echeverria's agrarian policy remained one of trying to satisfy the demand for tiny individual plots by millions of landless peasants. In six years, according to official figures, he therefore distributed 60m. acres of land—much of it unusable—and poured hundreds of millions of pounds into the rural sector in credit and other assistance. But because this money made little impression on centuries of poverty and the number of landless peasants continued to grow despite the land distributions, Sr. Echeverria also chose to blame the rural crisis on the few highly-efficient large landowners who, through bribery and influence, had escaped the agrarian reform.

Anniversary

Last week, on the eve of the 66th anniversary of the start of the revolution, time finally caught up with the rich farmers of the Yaqui valley in southern Sonora state.

The President's move, however, had little to do with solving the peasant problem. In fact, while only about 10,000 peasants will benefit from the expropriation, it will have the negative effect of encouraging many other peasants who have been waiting for land for 20 or 30 years to believe that their turn is near. And, after months in which Sr. Echeverria himself has been talking of the need for collective peasant farms and Sr. Lopez Portillo has emphasised production over ownership, there is now new pressure to distribute minute unproductive plots to millions more peasants.

Sr. Echeverria's motive for the expropriation would appear to be largely political. His desire to strike at the rich farmers of the north-west, who are themselves closely associated with conservative banking and business interests throughout the country, has long been apparent. But his decision to do so just 11 days before leaving office cannot be separated from his evident ambition to remain politically influential here after December 1. Specifically, by carrying out the daring expropriation, Sr. Echeverria has ensured himself a permanent following—and therefore power base—among the peasantry similar to that enjoyed by the late President Lazaro Cardenas for 30 years after the pro-Government Ocampo Pact of Peasant Organisations. He has strengthened the position of the leaders of that movement who also happen to be his loyal aides. In other words, apart from Sr. Echeverria's likely influence in other areas, the mere fact that he will be in a position to agitate or control the peasantry will prevent the next president from ignoring him.

Agriculture

That Sr. Lopez Portillo would like to change agrarian policy, however, was one of the few points clarified during his nine-month election campaign. Rather than resort to traditional "revolutionary" rhetoric in his daily addresses to peasant crowds Sr. Lopez Portillo emphasised the need for organisation, efficiency and productivity and even stressed that there is no land left to be distributed. "Land is not rubber," he told one gathering in Sonora itself. "You can't stretch it forever."

Yet, even ignoring the estimated 4m. "peons" who are still without land, many of the country's rural problems are related to its peculiar system of land tenure. Some 5m. peasants own tiny plots on 28,000 communally-owned farms known as "ejidos." But these "ejidos" invariably own poor quality land, lack credit or machinery and are run by corrupt local leaders. As a result, the "ejidos" produce barely enough for the subsistence of the peasants and their families, while 85 per cent. of them account for only 15 per cent. of México's total food production.

In contrast, a small number of private farmers have not only been able to circumvent the legal limit of 100-hectare holdings of irrigated land, but they have also attracted credit, use sophisticated equipment and techniques and have benefited from government investment in rural infrastructure, such as access roads, dams and irrigation canals. And as a result, they produce most of the country's wheat, sorghum and vegetable oils and account for the valuable winter exports of tomatoes and vegetables to the U.S.

Landowners

The north-western states of Sinaloa and Sonora—still largely in private hands—are models of efficiency and productivity. Wages for the "peons" are relatively high and the availability of work is evidenced by the low rate of migration from these areas to the U.S. The only political snag is that the large landowners are extraordinarily wealthy and influential.

Given the vastly inflated cost of food imports following the devaluation of the peso Sr. Lopez Portillo can be expected to emphasis agricultural production over land distribution and, in that context, not pursue Sr. Echeverria's campaign against the private farmers of Sinaloa and Sonora. But the need to rationalise the "ejido" system is equally urgent, not only so that increased production will improve the living conditions of the peasantry and reduce imports, but also so that higher productivity will absorb more of the millions of the rural underemployed who eventually migrate to the country's overcrowded cities.

The solution apparently chosen is the "collective ejido" by which the communal farm would be run as a single economic unit rather than as perhaps 400 tiny plots. But there is resistance to the scheme from the peasants themselves who have been brainwashed by six decades of official rhetoric into wanting their own piece of land. Sr. Lopez Portillo's ability to impose this will therefore depend on his own political strength. But, from an economic point of view, there is clearly no alternative. And, even from a political point of view, the unacceptable alternative is to continue to feed the peasantry with promises of non-existent land and to create expectations which sooner or later will turn dangerously sour.

WORLD TRADE NEWS

Japan 'to stimulate imports'

TOKYO, Nov. 23.

JAPAN has agreed to expand its overall trade and increase imports by stimulating its domestic economy to correct a large trade imbalance in its favour, Government sources said to-day.

Government officials agreed to improve the examination systems for imported cars and pharmaceuticals, restrain car exports to Britain and simplify import procedures for tobacco products, they said.

Officials failed to agree on measures demanded by the EEC to cut shipbuilding output and increase processed food imports, the sources added.

These issues will be discussed to-morrow by higher officials meeting to draft Japan's proposals to the EEC which has threatened retaliation unless its demands are met.

Reuter

Russia buys U.K. cigarette machinery

Financial Times Reporter

Molins, the precision engineers and cigarette machinery manufacturers, yesterday announced that it had signed an agreement in London to supply over £7½m. worth of cigarette-making and packing machinery to the Soviet Union.

The equipment, which will be installed in 19 factories throughout the Soviet Union, will enable the Russians to more than double their output of cigarettes packed in hinged-lid or "fliptop" packets.

Molins are supplying equipment, including their latest Mark 9N filter cigarette-making machines and automatic handling conveyors-which is capable of manufacturing a total of in excess of 45m. cigarettes per shift.

The contract was negotiated with Technopromimport in Moscow and finance for the deal has been arranged between Lloyds Bank Limited and the USSR Foreign Trade Bank.

The company said it supplied the Russian tobacco industry with the first equipment of this kind in 1966, and considered that the new order demonstrated that Britain's skills and her ability to deliver the right goods at the right price are still respected in the outside world.

The Soviet tobacco industry's current Five Year Plan calls for a threefold increase in the production of filter-tipped sigarettes. The USSR currently consumes 380bn. cigarettes in a year.

Men and Matters, Page 18

EEC steel industry orders down 10%

BY DAVID BUCHAN

BRUSSELS, Nov. 23.

UNDERLINING THE European steel industry's current decline, EEC officials revealed to-day that orders on the books of steel manufacturers in the Community fell 10 per cent. last month from the September level of 7.1m. tonnes.

Definite figures for the German, French, Dutch, Belgian and Luxembourg steelmakers show only 4.25m. tonnes of finished products on their order books for October, as against 4.64m. in September. While there are not October figures yet for the Italian and the British, they are expected to show a similar drop.

The seriousness of the situation is underlined by the fact that most of the Community's steel makers only have four weeks of production ordered.

To-day's figures are expected to help M. Henri Simonet, the Commisioner in charge of steel policy, gain approval to-morrow from his fellow Commissioners for his plan to set a new crisis regime for Europe's steel

The main feature of the plan, which has been discussed with most of the steeel companies and in various national capitals, is the setting of production quotas. These will be of two types—an overall quota for each national industry and a specific quota for the largest companies. In some countries, like the U.K., there will be little difference between the two with British Steel Corporation's production nearly approximating the national total.

German objections to the plan are now understood to have been overcome by the raising of the threshold to set specific quotas for only the largest companies. The Simonet plan may later be refined to include the setting of minimum prices a more controversial aspect.

Finns renew Soviet pact

HELSINKI, Nov. 23.

FINLAND AND the Soviet Union have signed their 1977 trade exchange agreement worth Fmks. 10bn. ($2.6bn.), a 10 per cent. increase over 1976. The agreement was signed by Finland's Foreign Trade Minister, C. G. Aminoff, and his Soviet counterpart, Mr. N. S. Patolitchev.

The agreement means that the Soviet debt to Finland will rise above the present credit limit of Fmks.310m. ($79.5m.), but the major Finnish import is oil and if world oil prices increase the Soviets will act accordingly, lowering the deficit.

The Finns will export machines and equipment for wood refinery plants and the metal and mining industry, 22 ships, cellulose, paper, furniture, clothes, and agricultural products.

In return the Finns will receive between 6.5 to 7.5m. tons of oil compared to 6.5m. tons in 1976. They will also import 1.5 to 2m. tons of diesel oil, 850,000 to 1.2m. tons of coal, 1.2m. cubic metres of natural gas, and also machinery and fuel for atomic power plants.

The agreement means the Finns will reduce their export of clothes, shoes, textiles and paints because the Russians have refused to give the Finns the increase in energy supplies that they had hoped for. Finnish sources said the Russians would rather sell their raw materials to countries paying with hard currency rather than with an exchange of goods agreement.

UPI

Cyprus fruit project

BY METIN MUNIR

NICOSIA, Nov. 23.

INTERNATIONAL TENDERS for a £ Cyprus 1.5m. citrus fruit processing plant are being invited by the Trade and Industry Ministry of the "Turkish Federated State of Cyprus," an official source said here to-day.

This is the biggest project for which international participation is being sought by Turkish Cypriots since the war of more than two years ago. A French and an American company have submitted bids, the source said, but refused to reveal their names.

The plant will process up to 50,000 tons of citrus fruit and export about £ Cyprus 1.5m. worth of products, the source said. The plant will be erected in Morphou, the citrus fruit region in the West.

The Turkish Federated State is willing to relinquish up to 49 per cent. of the stock to the foreign participant and full control for the first five years, the source said.

Moroccan imbalance with France

By Our Own Correspondent

PARIS, Nov. 23.

THE RAPIDLY expanding trade deficit between Morocco and France was a subject for discussion at talks here between King Hassan II and President Giscard d'Estaing on the second day of the Monarch's state visit to Paris.

Whereas trade was almost balanced four years ago, the deficit for the first eight months of this year was Frs.1.7bn.—an increase of over 30 per cent. on the same period last year.

Moroccan concern about this trade matter, however, has been tempered by appreciation of tacit French support for Morocco in the latter's territorial dispute with Algeria in the Western Sahara.

Following the Hassan-Giscard meeting officials indicated that there had been no clash of views either on trade or on the other principal bilateral problem—aid.

Increased French purchases of phosphates may help to narrow the trade deficit. At the same time France is in line to win a contract for the construction of a 950 000-ton annual capacity steel plant at Nador. This steel project will be put out to international tender next year. French success in this matter, as in competition for a contract to expand an oil refinery at Mohammedia, will depend in part on credits from COFACE, the French counterpart of Britain's ECGD.

French trains for Brazil

By Our Own Correspondent

PARIS, Nov. 23.

A FRANCO-BRAZILIAN group of companies, led by the powerful Schneider group—has announced an order worth $70m. for the supply of 43 electric trains for use in the Rio de Janeiro suburbs.

The trains, which consist of three carriages each, one of which contains the motor, will be supplied by CCTU, a group which consists of a French subgroup called Francorail-MTE and a Brazilian concern, Cobrasma.

French companies will account for 40 per cent. of the value of the contract. They include MTE, Creusot Loire and Jeumont Schneider plus a company to manufacture the carriages—Carel Fouche Languepen.

An initial contract was signed in September but delivery dates are yet to be confirmed. Finance has also yet to be decided. The French companise involved have previously supplied similar electric trains of San Paulo.

European textile plans outlined

BY RHYS DAVID, TEXTILES CORRESPONDENT

WITH discussions on a successor to the Multi-Fibre Arrangement—the agreement which regulates world trade in textiles—due to begin next month, another attempt has now been made to unravel the complexities of the industry and to analyse the problems facing the major European producers.

After almost a year of preparation, the Comite International de Rayon et Fibres Synthetiques, (CIRFS) representing European fibre producers, yesterday launched in Paris its MFA submission—an attempt to outline why Europe has been losing out in world textile trade, why the industry remains important to Europe, what the consequences will be of a major shift in the pattern of supply, and the changes in the present trading arrangements which are seen as necessary.

Though the impression sticks that textiles are a low technology industry falling victim to the low labour costs of Far East producers, CIRFS makes it plain that even if this remains partly true of clothing it is not the case for other parts of the industry.

The approach adopted by some Far Eastern countries, notably Taiwan and South Korea, has been to recover their costs with sales in their substantial and largely protected markets, making profits on very competitively priced exports.

In the case of Hong Kong the absence of a large market has ruled out this approach. The colony has avoided investment in the capital intensive parts of the industry such as fibre making buying in supplies on world markets as cheaply as possible.

Thus, according to CIRFS, the position which the Far Eastern exporting countries have built up in Western markets very often does not reflect competitive advantage as is often supposed. Instead it is more likely to result from production or export subsidies, price discrimination by artificial allotment of fixed costs or outright dumping.

The textile exporting countries have furthermore been able to capitalise on the advantages these practices give them because of the significant liberalisation of textile trade over recent years through the first stage of the GATT MFA. Implemented immediately before the oil crisis slowed almost to nil the growth rate of European economies, the MFA gave importers the right to increase by a minimum of 6 per cent. a year their supplies into European markets.

The results of this generous provision have been dramatic. While in 1971 the textile balance of trade in Western Europe was in equilibrium, with imports and exports cancelling each other out at around 700,000 tonnes, by 1975 imports exceeded exports by 400,000 tonnes. Employment in the industry in Europe over the same period fell by 400,000, though some of these jobs were lost as a result of technological change.

The CIRFS document, in which most of the leading European producers including ICI have had a hand, claims Europe ought not to accept this situation with equanimity as part of a two way process—the migration of traditional industries to developing countries enabling the developed countries to earn their living by pushing the frontiers of technology forward.

The transfer of clothing production to developing countries is likely to result in the contraction of earlier parts of the textile chain, right back to petrochemicals—about 25 per cent. of which are consumed in fibres.

Present trends could result in a further loss of employment in fibres and textiles and clothing of some 1.6m. out of a current total of 4.5m. people, and there is the danger that as the industry becomes weaker contraction could become even more rapid.

Such a decline, it points out, in some of the poorest regions of the economy would seriously reduce opportunities available to women. Nor will the effects be confined to the developed countries' CIRFS claims.

"The increased income enjoyed by developing countries with expanded textile exports will enable them to import more but to take advantage of this fresh investment in Europe is necessary.

"Lower return on capital and economic uncertainty have sharply reduced the propensity to invest, and the cut in demand from the declining European textile production chain and those employed in it will exacerbate this weakness."

The report goes on to claim that if the expansion of textile imports into Europe is not accompanied by compensatory growth in new industries and outward trade in their products, the effect on financial flows could for Europe be of the same order as those resulting from the 1973-1974 oil price increase.

The man-made fibre producers claim that because of its capital intensive nature man-made fibres and textiles are particularly suited to Europe, and that the transfer of the industry to developing countries will lead to a slowdown in research and development.

Along with most other textile associations in Europe, the man-made fibre producers are seeking major changes in the MFA to ensure that clothing, textile and fibre production can survive in Europe. A reduction in the 6 per cent. per annum import growth rate is being sought and in addition the industry would like to see a different rate of growth set for each product depending on the present ratio of imports to Western Eruopean production.

The document also challenges the continued validity of the GATT framework for handling the complex trading patterns in textiles. "In textiles in particular there is now a case for moving to a system whereby Western Europe's trade with outside partners is placed on a contractual basis which could regulate the net import growth in relation to the West European market.

"Such a system would enable the Western European industry to plan its future development and growth and would also make for more fair dealing with the many developing countries which now have little opportunity to share in supplying the continent's requirements," it states.

Export hopes on the Clyde

FINANCIAL TIMES REPORTER

CLYDE SHIPYARDS are tendering for orders worth more than £250m., mainly for export. Succes in winning a proportion of these contracts would give the river's three main shipbuilders a breathing space until after their impending nationalisation.

The yard with the biggest prospects is Yarrow (Shipbuilders) at Scotstoun on the Upper Clyde, presently working its way through a £150m. order book for the Royal Navy.

Yarrow's are also expecting to shortly conclude lengthy negotiations to build four logistical support ships for the Iranian Navy, worth more than £50m. A price has been agreed and discussions now centre on a barter deal for Iranian crude involving oil companies, banks and the British Government.

Another export prospect is for two Yarrow-designed frigates for a West African country. With anything up to £50m., the contract should be decided about the end of the year.

The third string to Yarrow's bow is a potential major refit to two Malaysian frigates, one built in Scotstoun in 1971 and the other being one of the Royal Navy's older vessels which Malaysia is contemplating buying.

There are also hopes of winning the Royal Navy's fourth Tyne 22 frigate order, expected next spring. It is important for Yarrow to win at least one export order as the yard has maintained its design and technical staff at the level required for an orderbook split 60—40 between Royal Navy and overseas work. However, the U.K.'s unprecedented inflation of the past three years has effectively priced the yard out of export markets. About 500 jobs in this sector are involved and could be at risk early in the New Year.

Also on the Upper Clyde, the State owned Govan Shipbuilders is negotiating a £40m. order for four of its standard Cardiff class 26,000-ton bulk carriers for the Molave Corporation of the Philippines.

Govan is already building four similar ships for this sugar trade company, with two delivered and a third launched this month by Barbara Cartland, the authoress. The fourth is scheduled for launching at the end of the year — the order is running some three months late on delivery. The contract, negotiated through Dashwood F'nance, was valued at £26m. when concluded in 1974 but was undertaken on a fixed price basis.

Dashwood is currently negotiating for a further four vessels from the Philippines which it hopes will be placed with Govan but this t'me the yard faces stiff competition from South Korea and Japan. Govan's order book currently stands at £100m. providing employment until mid-1978.

The Scott Lithgow group at Greenock and Port Glasgow has two orders in prospect, both involving the Government. The first is for a £20m. seabed operations vessel for the Royal Navy, a decision on which is expected within the next few weeks. This ship would use the yard's specialised dynamically postioned technology, as would a £30m. drillship order which Scott Lithgow has been trying to place since its indefinite postponement 18 months ago because of the poor offshore drilling market.

The Government has offered aid to help in finding an order for this vessel on which depends about 2,000 jobs. The Royal Navy ship would also provide about a year's work for another 1,500 workers at Greenock.

Another major shipbuilding prospect for Clydeside is being pursued by Ailsa Shipbuilding at Troon, a smaller yard which has escaped the nationalisation net. Ailsa are bidding with a new wide-hull design for a Kuwaiti order for ten fast patrol craft which could be worth more than £100m.

THF in Iran hotel deal

Trust Houses Forte Developments (a subsidiary of the THF Group), and Deluxe Hotels Corporation of Iran (Sherkate Hotelhay Luxe Iran), have announced an agreement for a new hotel to be built in Teheran called "The Persia."

THF Developments have been appointed as consultants during the planning and construction stages of the hotel and will undertake the management. "The Persia" will have 500 rooms and is scheduled to open in 1979.

The architect is Mr. William Rudolph of California, who designed The Princess Hotel, Acapulco and the Southampton Princess on Bermuda. The project manufacture ceramic sanitary struction and Research of New York.

● Societe Generale de Fonderie said it has concluded negotiations with the Andelaziz El Alami Group of Morocco under which the two companies are to set up a joint subsidiary to manufacture ceramic sanitary ware.

CONTRACTS AND TENDERS

LEGAL NOTICE

No. 003736 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of BLACKWAY LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 11th day of November 1976, presented to the said Court by SIMMONS COHEN FINE & PARTNERS (a firm) of 47, John Street, London, W.C.1 (formerly Sherwood Cohen Fine & Partners, a firm, of 13, Portland Place, London, W.1), Chartered Accountants, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 13th day of December 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

SLATERS,
13, Portland Place,
London W1N 4AE.
(Ref: PJS.)
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of December 1976.

COMPANY NOTICES

DE BEERS CONSOLIDATED MINES LIMITED
(Incorporated in the Republic of South Africa)

NOTICE OF DIVIDENDS DECLARED ON PREFERENCE SHARES

[illegible]

McCARTHY GROUP LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO SHAREHOLDERS

[illegible]

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Photograph: Gus Wylie

Vivien Gall's job is almost without precedent.

Vivien is a lawyer specializing in North Sea matters.

Doing North Sea law – the offshore aspects, at least – is very much a matter of learning as you go along. Most of the regulations concerning offshore work date only from the 1970s, and the law is growing and changing all the time to deal with the new developments in the North Sea. It's a demanding job for the lawyers – and for some problems there simply are no precedents.

Vivien is a native of Lincolnshire. She graduated from Sheffield University, was admitted to the Bar by the Middle Temple in 1971, and worked at Bow Street magistrate's court before joining Mobil. Now she's on a small team at our company dealing with legal questions associated with our North Sea activities (we're one of the major North Sea operators).

For a young lawyer like Vivien Gall, North Sea work is exhilarating.

She's not alone. Every aspect of this job is fascinating. We've looked for oil all over the world for more than 100 years, and the North Sea job is certainly the most exciting we've come across.

The technical challenges out there are terrific. The investments are huge. The potential is staggering.

If everything works out the way we hope, this corporation will see its investments pay off and will make a profit too – and Britain will achieve oil self-sufficiency by the end of the 1970's. Already the North Sea is providing about 14 percent of the country's needs, and by the end of 1977 that figure should rise to 25 percent. We're on the way, clearly.

And pleased to have Vivien Gall's legal guidance as we go.

Mobil®

Directors: Geoff Cooper (left), and Richard Bailey.

"Midland Bank does a fine job for us by complementing our craftsmanship and technology"

–Richard Bailey, Managing Director, Royal Doulton Tableware Limited

In the decorating shop: a craftsman working on a new range of wildlife sculptures.

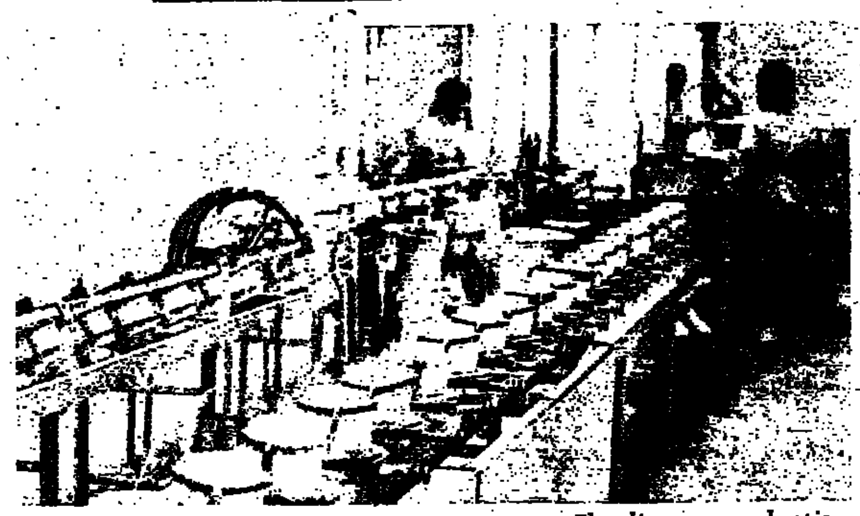
Royal Doulton are Britain's biggest manufacturers of china–from everyday tableware to the most elaborate ornamental figurines.

Besides Royal Doulton, their famous brand names include Minton, Royal Crown Derby, Royal Albert, and Beswick. You can buy a bone china cup-and-saucer for £1–or an elaborately crafted piece from the Figures Collection for £2,113.

Over 50% of the company's total production goes for export–for some product ranges that figure exceeds 80%. And they have received Queen's Awards, two for exports and one for technical innovation.

Says Managing Director, Richard Bailey: "Exports are vital to our success as a company and, indeed, to the survival of the country as a whole. Our greatest assets are the accumulated skills embodied in our 10,000 employees and the world-wide reputation of our brand names. The successful marketing and manufacture of fine china is very much a matter of good teamwork, and the Midland does a fine job for us by complementing our craftsmanship and technology."

"The plate decorator's meticulous artistry."



Flowline cup production.

"A million dollars a month and no bother"

Geoff Cooper, Finance Director, takes up the story: "We've always had very good service from the local Midland branch at Hanley.

"That can be crucial in the export field, where the sheer quantity of documentation demands a high degree of expertise and organisation."

Royal Doulton's foreign currency needs are particularly complex. With the virtual disappearance of fixed exchange rates over the last three years, competing in fiercely contested overseas markets takes on added problems and perils.

Says Geoff Cooper: "What we've wanted from the Midland, we've got. For example, to protect us from fluctuations in exchange rates, Midland Bank's International Division helps us with forward currency dealings. This can involve a million dollars a month. With the Midland that's no bother. Everything happens as it should."

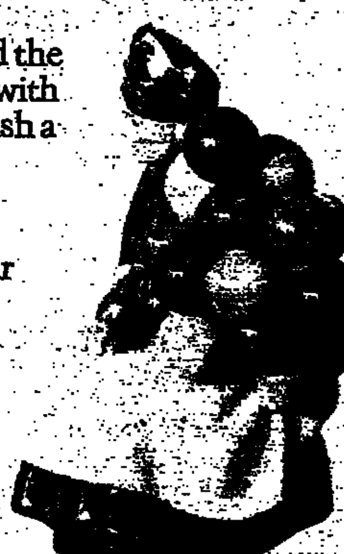
"Midland Bank support helps us to increase our exports"

Royal Doulton people are expert craftsmen and women: even with automated processes a piece may be handled no less than 36 times. "We're potters," they say. "We make functional things, fit for their purpose, that are also artistically satisfying."

The plate decorator's meticulous artistry, the skill of the engineer, the intense professional affection a figure painter brings to each owl: all illustrate the essential role of people in this craft-based yet highly sophisticated company.

Most of the company's production takes place in the famous pottery towns around Stoke-on-Trent, where Royal Doulton are continuously expanding and modernising their factories to boost production. Midland Bank finance is used for capital expenditure, including, for example, a £1½-million medium-term loan for new plant.

Says Richard Bailey: "We find the Midland are personable people with whom it has been easy to establish a sound and profitable business relationship. They give us good financial support as a result of which we are able to develop our business and increase our exports."



Old Balloon Seller from the Royal Doulton Figurine Collection.

How does Midland Bank Group fit in?

Whatever your company's size and style, or the kinds of banking service you need, you'll find the Midland people good and businesslike to deal with. Your Midland manager can also help you with access to services provided by all the powerful companies that make up Midland Bank Group.

Services that include facilities for term loans, leasing, hire-purchase, merchant banking, equity capital for growth companies, international insurance broking and advisory services, international and export finance, travel, factoring, investment management and trust services. Also, for very large companies, Midland's Corporate Finance Division has a select team that can work directly with the company to make the best possible use of the wide range of Group services.

Talk to your local Midland manager–he can put you in touch with all the right people.

A rare pâte-sur-pâte vase from the Minton Museum.

Midland Bank Group

Principal trading companies: Midland Bank Limited; Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited; Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Finance Corporation Limited, Northern Bank Trust Corporation Limited; Midland Bank Trust Company Limited, Midland Bank Group Unit Trust Managers Limited; Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited; Midland Bank Insurance Services Limited; The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited; Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Guyerzeller Zurmont Bank AG, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited; Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited; London American Finance Corporation Limited, British Overseas Engineering & Credit Company Limited, Drake (UK) International Limited, Drake America Corporation, Export Credit Corporation.

Nuclear plant order 'vital for survival'

BY ROY HODSON

HE NUCLEAR power station dustry, which has not had an ders since 1970, has given the overnment notice that an early der is essential for its survival.

A memorandum about the isis facing the industry, prosing a programme for nuclear wer development, has been nt to Mr. Anthony Wedgwood nn, the Energy Secretary, and Mr. Eric Varley, the Industry cretary.

It is from the British Nuclear rum, a body representing anufacturers, users and financ rs of nuclear installations.

A basic policy change involv the forum appears to have en agreed by its various mems. It has in the past played background role in the politics nuclear power development.

The membership is breaking w ground by using the forum speak collectively and forcely to the Government on the ustry's behalf.

There are still divisions of opinion in the nuclear industry about the type of reactor to be developed for future power requirements, but the memorandum to the Government lists a series of basic points about a power programme upon which all members of the forum are agreed.

It wants a decision on reactor type as soon as possible after the review now being made by the Nuclear Power Company, which will be completed within six months.

The forum promises the Government that "the industry as a whole will fall in behind whatever decision is made."

The need for Government action is stated simply by the forum: "To maintain a nuclear component for the generation of electricity an early order for a nuclear power station is essential."

The forum, while recognising financial difficulties, has emphasised to the Government that the building of a nuclear power station would be spread over at least seven years.

It says that whatever the choice of reactor system—three possibles are the steam-generating heavy-water reactor, the advanced gas-cooled reactor and the pressurised water reactor—the next order would be the "first of a kind" and would establish a pattern for a new and continuous nuclear programme.

To make the most effective use of investment in new plant and ensure retention of a skilled work force, it would be essential to have a steady on-going nuclear programme, the forum has told the Government.

A spread of orders over a period might not be more expensive than the "stop-go" of former programmes.

Mervyn Davies (centre), the Welsh and British Lions rugby player whose career was ended by a brain haemorrhage last season, with Eric Morecambe (left) and Ernie Wise at Buckingham Palace yesterday after the three men received OBEs from the Queen.

Courtaulds denies row over factory

BY RHYS DAVID, TEXTILES CORRESPONDENT

URTAULDS may not decide ore next year on the opening e for its new £10m. Belmont aving factory in Co. Durham, pleted at the end of last year not brought into operation ause of depressed trading ditions.

It had been hoped to start the nt before the end of this year, the company postponed a ision shortly before its ouncement last month of stantial redundancies at eight er factories.

ir Arthur Knight, chairman Courtaulds, yesterday firmly ied reports of disagreements h the Government both over ional grants paid towards the of the plant and over the posed opening date.

The company has been asked epay some £900,000 advanced ards the cost of buildings at mont, but will apparently be e to apply again for a grant soon as it begins operations.

The company will also be able apply for a grant towards cost of capital equipment, ounting for about £6.8m. out the total investment of 5m. No application has been de covering this part of the estment.

Courtaulds pointed out yester that it had been in touch oughout the year with the al office of the Department of lustry in Newcastle, which is ponsible for administering grant. It had informed offi ls in the middle of last month that it would not be going ahead immediately.

Two weeks later on November 1, the Department said that it would not be possible to allow the payment of grants to remain outstanding.

As soon as the operations at Belmont started and the premises became qualifying premises for the purpose of regional development grant, it would be open to the company to claim afresh for grant on all the assets eligible.

The Department confirmed yesterday that regional development grants were repayable where, as in the case of Belmont, an asset had not been brought into use within six months of the relevant date.

In a Parliamentary reply this week, Mr. Alan Williams, a Minister at the Department of Industry, disclosed that up to the end of October, 22 offers of regional selective assistance totalling £6.74m. had been made under Section 7 of the Industry Act 1972 in aid of projects at Courtaulds textile factories.

This includes £720,000 under this particular section of the Act towards the cost of the Belmont buildings

Courtaulds yesterday confirmed that about 220 people could be affected by a proposed closure in France of a double-jersey knitting unit at Colmar.

The company has also introduced short-time working at its U.K. hosiery factories.

'We carry on talks' BAC says

By Michael Donne, Aerospace Correspondent

THE BRITISH Aircraft Corporation, one of the four aviation companies the Government plans to nationalise, will continue its international discussions on new civil ventures regardless of the U.K. political situation, it reaffirmed yesterday.

Mr. Allen Greenwood, the corporation's chairman, is a deputy chairman of the proposed State-owned Aerospace Corporation. He is also on the Aerospace Organisation Committee set up to prepare for nationalisation.

It is understood that he and Lord Beswick, chairman of the organising committee, are remaining in those posts, in the light of the Government's decision to reintroduce the Aircraft and Shipbuilding Industries Bill in the new session of Parliament, opening to-day.

In an independent statement issued yesterday, the corporation said that pending an outcome on the political front, it would continue to act commercially.

Order books

Its order books at home and abroad stood at over £1bn., and its trading position remained strong, especially in the export market. Much of this business was in guided weapons and military aircraft orders.

The corporation did not think that what had happened to the nationalisation Bill so far would affect the international discussions which had bene under way for some time on new civil ventures.

These talks, on the types of aircraft required for the future, would go on, and the world market situation, and options available to U.K. manufactures, had not been altered by the failure of the nationalisation Bill.

Stockbrokers predict cut n borrowing requirement

Y PETER RIDDELL, ECONOMICS CORRESPONDENT

WIDE range of projections he public sector borrowing irement in 1977-78 being uced has been highlighted n in a new estimate from brokers Phillips and Drew. ven unchanged policies the irement in 1977-78 should £9.2bn., it suggests. This pares with the £11bn. under to be indicated by sury forecasts and the or less projection by Mr. Healey the Chancellor, in

e figure is crucial to the nt discussions with the IMF for the Government's forthng decisions on economic ures.

is very difficult to forecast requirement with any racy at any time because figure represents a balance een the separate large sums revenue and spending of 1 £60bn. to £70bn. next year. ese items themselves are ect to wide margins of error, nding on a whole series of nptions, which are especuncertain at present.

illips and Drew, for ple, assumes that unemploy in 1977-78 will remain t the present level of 1.3m., ding growth of 2½ per cent. in real gross domestic product.

A variation of 100,000 in the average jobless total would mean a change in the borrowing requirement projection of about £400m. because of a different level of unemployment benefit and revenue.

The Treasury forecast may have been assuming a higher average level of unemployment and lower economic growth next year and there may also have been a difference from the brokers' assumptions of a 12 per cent. rise in consumer prices in the period, a ½ per cent. growth in public authorities' spending and ½ per cent. fall in consumer spending.

Phillips and Drew suggests, in common with other recent estimates, that the requirement in the current financial year will fall well below the Government's projections and may be about £10.5bn., compared with the latest official forecast of about £11.5bn.

A lower figure has been suggested by the recent monthly figures for the central Government borrowing requirement, and is explained by buoyant income-tax receipts and the success of the Government policy of containing public expenditure.

Bristol's new dock 18 months adrift

BY JOHN WYLES, SHIPPING CORRESPONDENT

BRISTOL'S NEW £37m. West Dock will be opened to shipping by the end of February—three months later than scheduled and more than 18 months behind the original plans.

Technical difficulties and delays in construction have progressively pushed the opening of the dock back and its cost steadily upwards.

When the scheme was first given Government approval in 1970 the projected cost, which is being met by the Bristol local authority, was £12m. By the beginning of this year it was £28m. and it is now £37m.

The Port of Bristol Authority, explaining the three-month slippage, blamed the collapse of a coffer dam and delay in the delivery of lock gates by Fairfield-Mabey, the Chepstow-based construction company.

The coffer dam incident precluded the completion of the entrance pier to the dock, and a large dredger has had to be used to remove sheet piling which collapsed beside the pier.

West Dock is generally regarded within the ports industry as an expensive gamble by Bristol in view of the country's moderate trading prospects and the industry's poor profit margins.

However, after a tussle with the Government, Bristol has captured a £5m. Toyota project to import its cars and vans through the West Dock.

It is hoping to negotiate similar business with Datsun, which is seeking a port through which to bring its cars into the South of England.

The first customer for its forest products terminal is expected to be Gearbulk, a Norwegian shipping company.

Tourism 'needs 65,000 more bedrooms in 1980s'

BY ARTHUR SANDLES

PRIVATE INVESTMENT would have to finance the 65,000 extra bedrooms needed by the mid-eighties to cope with the tourist boom, said Sir Ronald McIntosh, director-general of the National Economic Development Office, yesterday.

Sir Ronald told an English Tourist Board meeting in London that the Government had invested £43m. in hotel development in England in the 1970s. "It is clear that large scale assistance from public funds will not be available for this sort of purpose in future."

He added: "The public deficit has got to be reduced, and this means that funds for investment in hotels will have to come from private sources. This is not a bad thing, for here is an industry which is already doing well, and whose future prospects are bright."

Sir Ronald did not point out that at present prices the hotel rooms he described, equivalent to nearly 150 hotels the size of the London Hilton, would cost about £750m. and only as little as that if most were built outside the biggest owns.

It was to the foreign visitor that industry "should look" for its future growth and prosperity. By 1980 he number of overseas visitors might be 14m., bringing in £3bn. at current prices.

Slight fall in Ulster unemployed

By Our Own Correspondent

UNEMPLOYMENT IN Ulster has fallen slight for the second successive month, but the figure of 10.4 per cent. of the working population is still the highest for any November since 1940.

More than 55,500 people were out of work, a drop of 680 on last month's total, but 6,750 more than a year ago.

Mr. Harold Binks, chairman of the Northern Ireland committee of hte Irish Congress of Trade Unions, said that if the reduction in the number of school-leavers out of work was ignored, the position was in effect a little worse than a month ago.

It would continue to deteriorate unless the Government was prepared to make Ulster a special case.

The worst areas of the province are Newry, with 21.6 per cent. unemployed, and Strabane with 26.4 per cent.

'Hostility to jobless'

BRITAIN'S UNEMPLOYED were no better off than they have been over the last ten years, but the public was becoming more hostile to them, Professor David Donnison, chairman of the Supplementary Benefits Commission, said in Bristol yesterday.

"Scarcely any of our claimants are getting an income anywhere near what they would get in work."

Only workers with large families—four children or more—could be in that position.

Prof. Donnison said hostility to the jobless had grown because people were less confident of growth. In wartime people could be aggressive to the "enemy at the gate," but in peacetime they tended to turn on their most deprived fellow citizens.

Commission figures showed the new Social Security benefits were "no more generous in relation to wages than they have been ove rthe last decade."

He was convinced that there were more peopel not claiming benefits to which they were entitled than there were wrongfully accepting them.

CBI backs campaign against devolution

By Ray Perman, Scottish Correspondent

A CAMPAIGN backed by the Confederation of British Industry was launched yesterday against the Government's devolution proposals, due to be outlined in the Queen's Speech to-day.

The organisation, Scotland is British, sent a letter to all MPs saying that the proposed Scottish Assembly would be a launching-pad to independence, in turn leading to "needless and injurious disruption of the Scottish as well as the British economy."

It accuses the Labour and Conservative parties of disenfranchising a broad section of opinion in Scotland by going with the Nationalists "out of fear." The Scottish National Party is accused of being "basically anti-English."

The campaign claims to represent all sections of the community and has individual trade union members on its committee. But the overwhelming weight behind it seems to come from the management side of industry.

Supported both by the CBI and the Association of Scottish Chambers of Commerce, it has as a committee member Lord Weir, chairman of the Weir Group of engineering companies.

The campaign comes at a crucial time, with the Devolution Bill due to be published at the end of the month.

In favour

The main effect is likely to be felt in the Conservative Party, where an organisation with similar aims started by Mr. Iain Sproat, MP for Aberdeen South, has had considerable success.

The party is in favour of devolution in principle, but against the Government's plans, which it sees as too costly and bureaucratic.

The Shadow Cabinet has yet to decide whether or not it will impose a three-line whip on MPs. A free vote would allow the handful of pro-devolution Tory MPs to side with the Government and could be enough to ensure a majority for the measure.

Separate divisions urged for posts, telecommunications

BY KEVIN DONE, INDUSTRIAL STAFF

A CLEAR division of the Post Office into two separate corporations, one for posts and one for telecommunications, was advocated last night by Mr. Alex Currall, the managing director of Posts.

Mr. Currall's personal support for the growing body of Post Office opinion in favour of a split is understood to have been echoed in recent evidence submitted by the Post Office Board to the Carter Committee.

Sir William Ryland, chairman of the Post Office, has expressed his personal support for a division of the corporation on several occasions.

The Post Office unions, however, have come out on opposing sides in their evidence to the committee, and the Union of Post Office Workers, which includes most of the workers in the Posts division, favour the present unified structure.

The Board is giving oral evidence to the Post Office Review Committee, the inquiry body set up at the beginning of the year to investigate Post Office organisation. But it is not intending to publish its submissions. The Carter Committee's report is expected in the spring.

However, Mr. Currall told the annual dinner of the Telecommunications Managers' Division of the Institute of Administrative Management in Coventry that he was not in favour of more levels of control, represented in the NEDO proposals for two-tier Boards for the nationalised industries.

'Cumbrous'

"In my view additional links in the management chain mean slower and more cumbrous decision-making. If changes are made, I hope they will be made in the direction of simplicity—two separate corporations."

In spite of the rapid expansion in telecommunications and the threat it represented to parts of the postal market, there was no reason to maintain the present unified corporation.

"There is very little need or scope for co-ordination of communications policy in the two businesses.

Facsimile, electronic mail, electronic work processing and data transmission would multiply channels of information and create competition for Posts. But it should not be supposed that that represented a major threat to the future of the postal business.

"For as far ahead as anyone can see there will be a need for a postal service on a very substantial scale."

Mr. Currall attacked suggestions that there should be cross-subsidisation between the two businesses.

Telecommunications—which is expected to boost its profits this year by more than 115 per cent. to some £370m.—had to earn profits "on a scale that will be huge by comparison with other industries" to finance its investment programme efficiently.

'Struggle'

These profits had nothing to do with "the gallantly struggling, labour intensive postal business" which had to balance its books without outside aid

Christopher Lorenz writes: Other speakers at the conference disclosed that two new services had been abandoned because of disappointing demand from users over a trial period.

They are Postfax, which offered a fast facsimile document service between 21 post offices, and the international Confravision (TV conference) service, which had linked the U.K. with Sweden and Holland. The domestic Confravision service is being continued.

Replying to Mr. Currall's speech, Mr. O. N. F. Case, chairman of the Telecommunications Managers' Division, called on the Post Office to take the lead in liberalising restrictions on the supply and maintenance of telephone terminals and other types of subscribers' apparatus which are attached to the public network.

U.K. interest rates 'not likely to fall until spring'

BY MICHAEL BLANDEN

INTEREST RATES in the U.K. are likely to stay high for the rest of this year, according to the latest review published by Williams and Glyn's Bank.

Given the need to keep the money supply in line with the 12 per cent. target, the bank suggests that there will not be any substantial decline in the level of rates until the spring.

This view is held in spite of last week's small drop of ¼ per cent. the minimum lending rate from its peak of 15 per cent., the falls in the U.S., and the recent measures to bring money supply under control through the reimposition of the Bank of England's "corset" restraints on bank resources.

Williams and Glyn's claims, that the "corset" controls will "distort the patterns of lending and interest rates, preventing competition among the banks for additional interest bearing deposits and stimulating other channels of credit such as the inter-company market."

The strict terms of the new controls would mean that the growth of bank lending will be "severely limited."

Generally, Williams and Glyn's says that relative stability returned to interest rates last month

The easier situation in the foreign exchange markets after the realignment of the European snake joint floating arrangement enabled a small fall in some rates to take place in Belgium.

There was a gradual decline in rates in the Netherlands, helped by the strength of the guilder, and there was also a small fall in rates in Germany, in spite of earlier speculation about a possible rise to control the growth of the money supply.

In general, however, Europe continued to present a "mixed picture" and rates were higher in a number of countries, including Denmark and Ireland.

Short Term Interest Rates as at November 15, 1976

Country	Bank Rate %	Ovedrafts %	Loans %	Commercial and Financh Paper	%
France	10.50 (24.9.76)	11.05 plus commission of 1/20% per month on highest debit balance in month. 10.60 minimum rate "Credit mobilisable"	10.60 min. for corp. borrowers.	Commercial Bills 90 days Finance	10.60 10.60
Italy	15 (4.10.76)	21	—	Commercial Bills to 180 days	20.50
Netherlands	7 (20.8.76)	10.50-11 minimum including surcharge of 1%	—	—	
Switzerland	2 (8.6.76)	7.50-8 unsecured 7-7.50 secured	6	Commercial Bills to 90 days	4.50
U.K.	15 (M.L.R.) (7.10.76)	15-20	15-20	Commercial Bills Bank: 3 months Trade: up to 180 days	14.13-14.22 15
W. Germany	3.50 (12.9.75)	7.25-8 Sometimes reduced for first-class borrowers	6.75-7.50 Sometimes reduced for first-class borrowers.	Commercial Bills	6.75-7.50

Motorcycle sales up in October

By Terry Dodsworth

MOTORCYCLE SALES in the U.K. rose again last month bringing the annual total at the end of October to 163,433 units, a rise of 13 per cent. on last year. But moped sales have dropped from 96,975 in 1975 to 85,709 this year.

Overall registrations of two-wheelers still show an upward trend, however, rising from 240,923 in the first ten months of last year to 248,142, an increase of 3 per cent.

The signs are that the industry will not now break through the 300,000 sales barrier this year as it had been hoping, mainly because of the surprising dip in moped registrations.

But sales of motorcycles—vehicles of more than 50 cc—have continued in buoyant form this year, and have been particularly strong at the upper end.

About 97 per cent. of all motorcycles sold in Britain are imported. Thus the increase of registrations of larger, more expensive vehicles will mean an increase in the import bill for motorcycles.

● NEWS ANALYSIS—DAVY AND HEAD WRIGHTSON

Aggressive togetherness

BY KENNETH GOODING

IT WAS 24 years ago that the idea that Davy International and Head Wrightson should get together was first raised within the companies themselves.

Seven years ago the Industrial Reorganisation Corporation revived the idea in the hope that a combined group would stand a better chance against international competition. But the scheme did not get far.

The companies have changed their minds now because, in the words of Mr. John Eccles, chairman of Head Wrightson, "the IRC suggested we should move towards a merger on defensive grounds.

"Now we have decided to merge because we want to take up an even more aggressive posture in world markets."

Since the IRC days, both companies certainly have had their bad moments, but Davy in particular has developed as a strong entity. In more recent years, Head Wrightson's results have recovered well.

Another important factor which has changed the companies' attitudes towards one another has been that their shapes have changed and, step by step over the years, they have moved out of direct competition

To-day, there is little overlap in their operations. In crude terms Davy is mainly involved in engineering contracting, that is, it designs and builds plants.

Head Wrightson has a much higher percentage of its business in actually making the hardware for steel, coal, effluent and other process industries.

Roughly speaking, only a seventh of Davy's business is in the manufacture of hardware, while in Head Wrightson's case it is about 50 per cent.

The exploratory talks which led to yesterday's announcement that a friendly merger had been arranged started several months ago at a time when it looked as if world trade and investment were due for a revival.

Among other things, that meant testing the reaction of the Office of Fair Trading to the concept of a merger. Davy's bid for British Rollmakers two years ago was referred to the Monopolies Commission and the commission ruled it would be against the public interest.

Admittedly that was an aggressive bid by Davy, strongly resisted by Rollmakers' directors, and one with obvious monopoly implications. But Mr. John Buckley, Davy's chairman, did not want to go through the time-consuming and totally unproductive (from the companies' point of view) Monopolies procedure all over again.

At the same time, engineering contracting is a strategic industry, and the Government's preliminary view—via approaches to the Department of Industry—had to be sought.

In this respect, the department naturally is influenced by the recent industrial strategy exercise which concluded that while the U.K. process plant fabricators seem to be large enough to achieve most of the possible economies of scale in production "there might be marketing economies and financial strength to be gained from larger groupings, possibly with more international groups."

Mr. Buckley was emphasising the point about financial strength last night. A bigger asset base and a wider range of technical expertise would help the combined group in the highly competitive international markets and add extra credibility when the group—as is frequently the case—had to talk with overseas governments.

In financial terms the merger is certainly one which seems to produce a good-looking balance sheet in that Davy has the earnings and Head Wrightson is rich in assets.

Mr. Buckley also says that the deal will not take Davy too far back into manufacturing—an area from which he has carefully steered it over the past few years.

Davy should benefit from having assured supplies of special hardware which, in spite of the recession, can still be difficult to obtain—sophisticated products such as rolling mill plant or process line equipment.

Head Wrightson should gain from Davy's strong representation in the U.S. and West Germany, two strong and stable markets. Mr. Eccles, for example, can see that his company's undoubted expertise in coal preparation technology might now stand a better chance in the U.S.

Perhaps the most significant point about the deal is that the two management teams have known each other for many years and have had almost continuous business contacts.

As Mr. Buckley said last night: "It should be a smooth merger because managements get on so well together."

Car sponsored by Swiss watch company

THE new Stanley-BRM formula one Grand Prix car is to be supported in next season's world championship by the Swiss company Rotary Watch, of La Chaux-de-Fonds, and the U.K. Rotary watch distributor Moise Dreyfuss

This marks the return of the former championship winner BRM to the formula one scene.

The car will race under the name Rotary Watches Stanley BRM

The Swiss company said that the link—to mark which new watches are to be introduced to the Rotary range—would provide a strong worldwide publicity platform for its promotion activities.

The move would be featured strongly in Rotary's new advertising and merchandising campaign in major European and overseas markets.

Flood work

RIVER DEFENCE works linked with the Thames flood barrier project at Woolwich are expected to cost £223m. compared with the £143m. originally estimated four years ago, the Greater London Council said yesterday.

The cost of building the barrier acros the Thames is expected to be £158m., £70m. more than the original 1973 estimate.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RESEARCH

Energy storage project

MANY COMPANIES, including the giant Philips group, have been seeking to simplify methods of storing energy in one form or another—in reversible chemical reactions or high temperature molten salts.

From Salford University comes an idea which has been given the backing of the Wolfson Foundation, and £75,000 of development funding.

The operating basis of the system, invented by Dr. J. E. Randell of the Department of Civil Engineering, depends on pressure/temperature differentials which occur during the dissociation or reaction of volatile and non-volatile compounds. This "chemical battery" is charged by the input of heat and can be designed to provide heat on demand by pumping in controlled amounts of the volatile chemical—water, for instance—to set off the exothermic reaction.

The method of operation has already been demonstrated using water and calcium oxide. This runs at too high a temperature for general use, so the first couple of chemicals to be studied extensively will be lithium bromide and water.

The major advantage is that the chemical battery built up from these constituents will run at lower than 100 degrees C so that there could be extensive applications to provide energy for a prime mover in areas where there might be an explosion hazard.

Initial work at the Salford Industrial Centre will be to develop the mechanical system controlling the heat absorber/source. Charging could be either by work input—operating a vacuum pump to draw off water vapour—or by heat input. In the first instance the system operates as a close analogue in chemical terms of the electric battery. In the second, the unit is a delayed output heat engine.

Other chemicals will be evaluated and systems designed around them.

Apart from the non-hazardous energy source idea, the storage units are being thought of in connection with such units as wind power generators, avoiding the somewhat wasteful phase of conversion to electrical energy, and with incinerators and solar panels.

Advantages compared with batteries include the possibility of releasing large amounts of heat on demand, low capital costs, flexibility in the way energy is put in and extremely long life.

Possibly the most important aspect of the project is that the chemical batteries will be able to stand for very long periods without energy losses.

Further from Mr. J. Hall, Industrial Centre, Salford University, Salford M5 4WT. 061 736 5843.

Efficient AC machine design

DEVELOPED AT Southampton University by Mr. K. J. Binns with assistance from NRDC is a new form of permanent magnet machine in which, for example, efficiencies of up to 90 per cent. can be achieved in motors rated at several kilowatts.

As an alternator the machine, which uses an imbricated (scale-like) rotor with a stabilising element, gives a high output for the frame size using a standard stator. No slip rings, brushes or DC excitation are needed. The speed range is claimed to be very wide with smooth running obtainable down to speeds of five rev/min.

The machine uses a conventional stator with a new design of rotor based on disc magnets that produces a very high airgap field. The magnets, arranged along the rotor axis with like poles facing one another, are separated by steel discs which are recessed to hold the magnets and are themselves shaped to form pole pieces. Very high torque is produced over a wide speed range.

The use of axially magnetised magnets permits the use of high coercivity materials such as barium and strontium ferrite, which is not possible with radially magnetised magnets without loss of airgap flux. If rare earth materials are used an extremely high airgap field is possible. The steel parts could be conveniently cast or forged.

Companies interested in building motors of this type are invited to contact Mr. P. Thompson, Electrical Engineering and Electronics Group, National Research and Development Corporation, 66, Victoria Street, London, SW1 6SL (01 828 3400).

● HANDLING

Three-stage masts for site trucks

A RANGE of three-stage masts, giving the benefits of high maximum lift heights, full free lift and a low closed height on a rough terrain fork lift truck, has been introduced by Bonser Engineering, Giltbrook, Nottingham, NG16 2GX (060743 3621).

Available with the company's two and four wheel drive trucks, and the rough terrain trucks, the masts come in four sizes, the largest giving a maximum lift of 25 feet.

The advantage of low closed height, says the maker, is the reduced likelihood of problems with overhead obstructions during road transportation between sites. The biggest machine does not exceed 11 feet 10 inches.

● MATERIALS

A board to match asbestos

AFTER FOUR years' research and development and some alteration to production equipment, costing together over £1m., Cape Boards and Panels has launched an asbestos-free, non-combustible, general purpose building board which has all the performance characteristics of asbestos equivalents.

Although the new board costs about 20 per cent. more than asbestos-based board, the company regards this development as a major breakthrough of significance in the building industry.

Supalux will provide fire protection for up to four hours, meets the requirements of BS476: Part 1, 1953, and is capable of meeting the more stringent requirements of BS476: Part 8, 1972.

The company says the board can be used as replacement for its Asbestolux board for all fire-resisting applications: such as casing for structural steelwork, suspended ceilings, ceiling linings and soffits, fire breaks, and fire-resisting partitions.

Supalux is chemically inert, unaffected by humidity, and will not warp, swell, rot or corrode. Normal hand and power woodworking tools may be used to cut and shape it, and it can be painted without using special primers, and may be plastered after the surface has been sealed.

No special precautions need to be taken when working with the board, other than those normally observed in dusty conditions. There are no health hazard fibres contained in the board, says the maker.

The board is made on the same machinery (slightly modified) as is used for producing Asbestolux. Production at present is aimed at stocking distributors, but the company expects the board to be used in many applications where asbestos board is now suspect because of its potential health risk.

Cape Boards and Panels, Iver Lane, Uxbridge, Middx. UB8 2JQ (Uxbridge 37111) for details of the range of sizes, thicknesses and finishes available.

Heavy duty tubing

POLYVINYLIDENE fluoride is the material used for the extrusion of tubing for use in the food industries and offered by Slat International to compete with PTFE, or polytetrafluoroethylene.

The manufacturer says the material has no reaction with foods and is completely non-toxic. Specific weight is high at 1.78 and manufacture demands expert knowledge of extrusion technology since in most instances the equipment has to be used in extreme conditions.

PVDF is impervious to ultra-violet radiation and to gamma rays and can withstand working pressures as high as 900 psi at temperatures up to 160 deg. C.

Forty per cent. cheaper than PTFE, it has high mechanical and dielectric strength which does not alter with age. The makers claim they know no way of making it burn.

Another interesting product from this group is called Slatpur, a thermoplastic polyurethane elastomer, which "cannot be permanently deformed" and will take very sharp radii without suffering restrictions.

Applications include conveying hydraulic, pneumatic and other fluids in the machine-tool and comparable industries. Food manufacture and pharmaceuticals are other areas and wherever it is applied it will stand up to higher pressures than polyethylene.

Slat International, Empire Buildings, St. Paul's Road, Smethwick, West Midlands. 021 558 9402.

● AUTOMATION

Interface improved

AN ADVANCED CRT-based operator display for use with its SPEC 200 electronic process control system has been introduced by the Foxboro Company to provide simplicity of operation, but also extended capabilities beyond conventional panel-mounted instrumentation as well as more efficient operator/process communications.

Videospec provides a compact operator station which connects to new or existing SPEC 200 rack-mounted control electronics via the standard Foxboro interspec analogue/digital communications link. Primary operator interface with the process occurs through a variable function keyboard. The unmarked keys are assigned various functions according to labels on the screen above the keyboard. The combination of keyboard and screen allows efficient access to system command, display, monitoring, trending, alarm acknowledgement, and related functions.

Functional capabilities of Videospec include display of measurements, set points, alarm limits, and related process parameters: performance of process monitoring and short-term historical recording; performance of alarming and alarm status logging; access to full process control capabilities such as set-point adjustment, valve handling, and other conventional operator functions.

Foxboro-Yoxall is on Redhill [illegible].

● CALCULATORS

Powerful but easy to use

BASIC ARITHMETIC to complicated higher mathematics can be dealt with by the SR-40, a hand-held calculator introduced by Texas Instruments.

Aimed at college students, engineers and other professionals it has a suggested retail price of £34.95 (which includes an AC adaptor/charger) and employs the company's algebraic operating system (AOS) which allows complex equations to be entered in the way they are algebraically stated, from left to right. Up to 15 sets of parentheses and four pending operations make for straightforward problem solving.

Besides scientific notation the calculator has trigonometric, logarithmic and universal roots and powers functions. A particularly versatile memory is incorporated including store, recall, sum to memory and a key which exchanges the content of the memory with the display value. A double-shot keyboard accommodates the large number of functions. The eight-digit display turns off after 25 to 50 seconds, leaving only a moving reminder point. Manton Lane, Bedford, MK41 7PU (0234 67466).

● METALWORKING

Dutch orbital pipe welders

FOUR ORBITAL welding machines covering pipe diameters from 20 to 120 mm. have been developed by Welca, Holland.

Programmer controlled, reproducibility of all welding parameters and filler wire delivery is stated to be better than ± 1 per cent. A range of parameters can be pre-set on the programmer, including welding current, gas purge time, weld pool formation time, welding speed, arc swit off, post weld gas purge tim welding pause, return of he speed, and slope in and out.

The machines are available single or four mode versions. T latter allows pre-setting different parameters for up four welding phases, for examp pre-heating, autogenous weldir tungsten/inert gas with filler, a stress relieving.

For welding difficult metals, orbital programmer is availal which allows the pre-set pa meters to be varied by ±100 cent. in each of six 60 d sectors, plus a seventh overl sector of any angle.

The torch can be set to oscill (weave) across the weld, and there is ovality in the pipe electro-mechanical device ke the torch-to-work distai constant.

The maker says the orbi heads can be placed on the w at any angle. Access requi is as low as 40 mm betw pipes, and only 75 mm of strai pipe is required for location.

Details from the British s sidiary of the Dutch compa Welca International (U.K.), 5 John's Place, Wistow, Hunti don, Cambs. PE17 2QD (0 822868).

Cutting and threading pipes

FROM JAPAN comes a pipe ting and threading machine sizes ¼ to three inches o.d.— Piset Panda 90. Weighing 57 it can be used as a bench machine or free-standing on optional tubular base.

The machine can handle common pipe metals includ stainless steel, and is suita for semi-skilled operation. workpiece is inserted into machine's hollow spindle gripped by two non-slip hamm chucks.

The pipe is rotated at 28 r and the three tools — dieh pipe cutter, and a reamer for burring—are fed manually or the pipe end.

A rack-mounted carriage ries the tools. Any length thread may be applied, an pre-set stop controls th depth. Lubrication is automa There are special attachme for threading nipples.

Details from the U.K. ag Neville, Scales and Co., Priests Bridge, London S STA (01-876 8795).

● DATA PROCESSING

Advice for small user

IN A MOVE of far greater significance than appears at first reading, a British Computer Society specialist group is calling a series of educational meetings. The importance of the series is that they are addressed to first-time or would-be users — and largely of small machines, a class of citizen which has suffered from unhealthy neglect for the past several years, despite the enormous sales pressures which have built up in this particular sector of the market where growth has been riotous.

First meeting will be in Birmingham University at Staff House on December 14. Speaker will be A. C. Hughes of Hodge Finance.

Points to be discussed will include whether to rent, lease or hire purchase; taxation; inclusion of software and supplies; grants and development areas and the definition of "computer" for grant and tax purposes.

Most important at this meeting is the opportunity it will afford for private discussion with BSC Group members on participants' problems.

Further meetings are planned and information on the programme is available from A. H. Steele, National Computing Centre, Oxford Road, Manchester M1 7ED. 061 228 6333.

Two tape drives

RECENTLY introduced to the U.K. market are two cassette tape units from the U.S.

The Economy Company Phi-Deck distributed by Tekdata (Trading) of Stoke on Trent (0782 811711) is a variable speed model (0.4 to 10ins./sec.) employing four drive motors and circuits to provide compatibility with TTL, DTL and CMOS. The capstan motor has no other tasks so that wow, flutter and jitter are minimal. Remote control facilities can be provided and the power consumption is 600 mA at 7 V DC.

BFI Electronics, The Avenue, West Ealing W13 8NU (01 998 2113) is launching units made by Cipher Data Products Inc. including the C-200 basic cassette drive and some associated system. This has dual capstan drive in two directions (four motors) with a read-after-write head layout. A larger recorder, the Minicette-2000 is expandable up to four cassette drives and can be interfaced to any computer. It can read up to 2400 ch/sec.

Help for selective mailing

OF INTEREST to advertising and public relations agencies, other companies using selective mailing and those that maintain lists for distribution of catalogues and reports, is a computerised system called Varimail offered by CMG (West End).

Specifically designed to cut the cost of selective mailing, it is constructed as a series of program units and provides an open-ended method of retrieving information from any part of the mailing file.

Information is put into the computer using a simple form sent by the client to the company's computer centre at Croydon. From the total held on file it then becomes possible to produce selectively labels and lists for specific groups, divisions and other categories such as by age, by nationality or location—in fact by almost any parameter. The user simply phones or writes his request to the computer centre. More from Sunley House, Bedford Park, Croydon, CR0 2AP (01-686 8251).

More power to a mini

BOLD CLAIMS by Olivetti for its new P6060 against competitors (the IBM 5100, the HP 9830 and the Wang 2200) are higher computing power, lower cost and more compact size.

The claims are not confined to machinery, since Olivetti says that less of the central memory is occupied by the operating system—which is many times larger, more powerful and more flexible than those of its rivals.

The additional power provides the user with a number of facilities: management of disc files, BASIC compiler and decompiler, simultaneous handling of internal input/output units and plotting on the integral printer, among others.

The company will continue to work with practising engineers with this particularly suitable machine in mind, for further expansion of the existing program library.

Dr. R. E. Yeadon of Civil and Structural Computing (Northern) is collaborating on a package for the design of multi-bay plastic portal frames; Drs. A. W. Beeby and H. P. J. Taylor on a suite of programs for reinforced concrete design, and Donald Alcock of Alcock Shearing and Partners on bar reinforcement schedules and analysis of retaining walls and laterally loaded piles.

Other application programs being developed include a suite for the structural analysis of frames, trusses and grids, etc., and a connection program between analysis and design software. British Olivetti, 30 Berkeley Square, London W1X 6AA. 01-629 8807.

Mark reader advances

THREE Regional Health Authorities who between them provide payroll services for nearly ½m. staff have chosen optical mark reading (OMR) to capture data.

South West and North East Thames regional authorities are to use Dataterm 250 machines to capture data from the many thousands of payroll sheets, converting handwritten bar marks at the rate of about 5000 forms/hour into computer compatible magnetic tape.

A scheme at North-West Thames RHA is already commissioned and uses a pair of Dataterm 3 machines to capture data from 110,000 sheets in a single day. The resulting tape is processed by an ICL 1904S.

It has also been announced that Redifon Computers has enhanced its Seecheck key-to-disc system so that it will support one or two Dataterm 3 devices reading simultaneously with standard keying operations. The optical mark readers are made by Data Recognition, Loverock Road, Reading, Berks (0734 598511).

SAFIC

Directors: S. Borsook (British) (Chairman and Managing Director); K. Gross; J. Mincer; L. Mincer; D. H. Shapiro; N. Werksman.

Saker's Finance and Investment Corporation Limited

Interim report

The results of the Group's trading activities for the six months ended 30 September 1976, reflect the continuing downturn in the South African economy and, in particular, the dramatic change in conditions in the motor industry compared with the same period last year, when the Group reported record profits. Under highly competitive trading conditions, turnover has been maintained at a satisfactory level, but this has been attained at the expense of lower margins at a time when inflationary pressures were forcing up costs, and has resulted in the disappointing results for the six months under review.

The general outlook for the second six months of the financial year shows no signs of improvement. In fact, it is expected that the economic climate will deteriorate further. However, the effect of this on the Group will be countered to some extent by the positive steps already taken to reduce costs, wherever possible, to bring them more in line with current trading conditions.

Changed conditions and the continued high level of inflation require a sharper focus on the long-term financial requirements of the Group. As a result, the need to maintain and improve the Group's equity base to ensure its future well-being has become more important. Therefore, your Directors are of the opinion that a realistic level of retained profits should be reached before consideration can be given to dividends.

In the light of the above, your board has decided to defer any decision regarding dividends until the end of the financial year and, consequently, no interim dividend has been declared.

Unaudited consolidated group profit

	6 months ended 30 September 1976 R'000	1975 R'000	% Change	Year ended 31 March 1976 R'000
Turnover	62 465	65 310	−4,4	122 279
Profit before tax	486	2 010	−75,8	3 522
Less: Taxation	224	854	−73,8	1 469
Profit after tax	262	1 156	−77,3	2 053
Less: Interest of outside shareholders and preference dividends	128	464	−72,4	827
	134	692	−80,6	1 226
Net attributable earnings	90	67	+34,3	165
	224	759	−70,5	1 391
Non-recurring items	—	71	—	71
Earnings for ordinary shareholders	R224	R830	−73,0	R1 462
Number of ordinary shares in issue	4 787 030	4 787 030	—	4 787 030
Per ordinary share				
Earned (cents)	4,70	*15,86	−70,5	*29,06
Paid (cents)	—	3,75	—	14,25

*Excluding non-recurring profits

S. Borsook, J. Mincer — Directors

By order of the board
Saker's Management Company (Proprietary) Limited
Secretaries
Per: P. R. Glendining

Registered office
11th floor
Cape Towers
Maclaren Street
2001 Johannesburg

Transfer secretaries
South Africa
Security Registrars (Proprietary) Limited
16th floor
Nedfin Place
Simonds and Kerk Streets
2001 Johannesburg

Transfer secretaries
England
M & WM Services
Granby House
95 Southwark Street
London SE1 0JA

12 November 1976

HOME NEWS

Plan as if North Sea oil did not exist—report

BY RAY DAFTER, ENERGY CORRESPONDENT

CARELESS MANAGEMENT of the economy may erode the benefits of North Sea oil, says a study by the Trade Policy Research Centre published to-day.

It concludes that gains from North Sea oil will not be great enough to guarantee a balance of-payments benefit to the U.K.

"If the potetnial gains are to be in the absence of North Sea economic management in the British Government will have to be as good as it would need to be in the absence of Norht Sea oil."

The report, prepared by Prof. Colin Robinson and Dr. Jon Morgan, of Surrey University, says that the potential balance of payments gains could be between £4.8bn. and £6.6bn. in 1980, and £9.1bn. and £18.2bn. in 1985. The figures are converted from the researcher's dollar calculations at £1 = $1.65.

The estimates appear similar to those by the Treasury a few months ago, but Prof. Robinson and Dr. Morgan emphasise the considerable uncertainties that could upset the forecasts. Potential balance-of-payments gains are very sensitive to price and output assumptions, for instance.

"The greatest uncertainties about the economic impact of North Sea oil on the British economy relate not so much to the volume of oil that will be produced, and at what price it will be sold, but to how efficiently the British economy will be managed as its new-found riches begin to flow in large volume."

Although the potential gains seemed very big, "they are not so large that the U.K. can afford to dissipate them by careless management of the economy."

Estimates stay

The forecasts and warnings come when the replacement of oil imports by home production is presented to the International Monetary Fund team as one of the brightest spots on Britain's economic horizon.

Latest Government estimates of recoverable oil in the designated areas of the U.K. Continental Shelf are in the range of 3bn. to 4bn. tonnes.

The figures indicate that, despite exploration and appraisal drilling this year, the Government has had no cause to upgrade estimates made last year and published this April in the Department of Energy's "Brown Book" of offshore resources.

Government estimates show that proved economically and technically recoverable reserves of coal are about 6bn. tons, nearly 5bn. tons in existing and committed pits.

The Department of Energy says that it is not practicable to assess how much more of the estimated 45bn. tons of coal reckoned technically recoverable will prove economically workable.

Its figures show that exports of North Sea crude oil to the end of September were about 1.5m. tonnes, 20 per cent. of production to that date.

* *Effects of North Sea Oil on the U.K. Balance of Payments; Trade Policy Research Centre; £1.*

Rates and the cash ceiling

BY COLIN JONES

THE RATE support grant which is announced at about this time each year can be looked at from many viewpoints. The more interesting aspects of this week's settlement—for the year 1977-78—are, first, its contribution to the Government's attempts to control public spending and, secondly, its implications for the rates demands we shall receive in April.

On the public expenditure aspect, one needs to consider the grant settlement in its wider setting. Local government is responsible for about 30 per cent. of all public expenditure. Yet the Government has no power to instruct local councils how much they may spend or how much they may raise in local rates. It has to rely upon Minister's powers of persuasion, together with such leverage as the rate support grant affords.

Attempts have been made to improve both instruments in the past couple of years. Ministers and local council leaders, together with their advisors, now meet regularly once a month. The old practice of wiping the slate clean at each grant settlement, irrespective of the extent to which local authorities have spent beyond the guidelines established at the previous settlement, has been abolished. The grant has been made subject to a cash ceiling in an attempt to restore its effectiveness as an instrument of control during a period of high inflation.

The present Government-TUC pay policy has made it relatively easy to launch a system of cash ceilings. Wage costs account for about 70 per cent. of total local spending and the main pay settlements—the teachers' and the manual workers' — are usually negotiated towards the end of each financial year. Cash limits will become much more tricky to operate successfully when the present pay policy gives way to a more open wage bargaining system. At local government level, cash ceilings have to be set up to 15 months ahead. Wage settlements for local government workers tend to reflect the trend of settlements generally and, as we have seen this year, it takes time to adjust the size of the total labour force.

Nevertheless, this year's cash ceiling has contributed to the financial squeeze Whitehall is now imposing on local authorities. The objective has been to extract rather more than £400m. (equivalent to about 3 per cent. of total local current spending) from councils' working cash balances so as to reduce these balances to the equivalent of about 5 per cent. of their current account turnover.

Non-wage costs

The squeeze has been spread over this year and next year. By invoking the cash ceiling on this year's grant (non-wage costs have substantially exceeded the original estimate), by docking a further £50m. as a "penalty" for overspending, and by re-adjusting the "resources element" of the rate support grant, Mr. Peter Shore has effectively reduced this year's grant from 65½ per cent. of "net relevant expenditure," the figure announced by his predecessor, Mr. Anthony Crosland, a year ago, to about 63 per cent. This is about the level Mr. Crosland should have announced last November if he had not been so determined to extract a more generous settlement from his Cabinet colleagues.

For 1977-78, the grant percentage will be lower still at 61 per cent., a figure which is neither too generous nor too harsh, but probably about right. There is no surprise in the fact that the grant percentage is lower. Because of the year to year growth in aggregate rateable values, reductions are inevitable at a time of nil or negative growth in real terms in local spending. Once Ministers have decided that real spending next year should be 1.6 per cent. below this year's probable outturn, that an average rates increase of about 15 per cent. for householders would be acceptable, and that local authority costs might increase by up to 10 per cent. between this year and next year, the grant percentage becomes as much a matter of calculation as one of political judgment.

If local spending does decline in real terms next year, it will be the first occasion since the war. Nevertheless, the chances of avoiding a significant measure of overspending are relatively good. The great majority of councils are now well aware that the era of rapid expansion—which has lasted for the past two decades—is over and that they face several years of no growth at all. There is a growing fear of the long-term consequences for the independence of local government if the Government's guidelines are again widely flouted. And by slightly adjusting next year's spending targets so as to preclude the need for massive redundancies, the Government has probably set a more realistic set of guidelines.

To the bone

However, that does not mean that every householder can expect his rates to increase by no more than 15 per cent. in April (or that every business ratepayer should count on an extra 11-12 per cent.). Councils facing above-average demographic changes and those who give greater priority to local desires than to national needs may not cut their real spending at all. Some local treasurers will take a more cautious view of inflation prospects, particularly after this year's experience of cash ceilings. Both under-spenders and over-spenders may have already run their working balances to the bone. Above all, the formula governing the distribution of the government grant is once again being changed, albeit somewhat less sharply than in some recent years.

Unfairness

Even so, this week's grant settlement was more generous to the metropolitan areas than had been expected, and rather less generous to London. As a result, the average domestic rates increase next year is likely to be about 12-13 per cent. in the English metropolitan counties, about 15 per cent. in London (and Scotland) and rather more than 15 per cent. in the shires. In each sector, the increases authority-by-authority could range anywhere from nil to 25 per cent. or more.

The pattern will inevitably contain an element of unfairness. The Department of the Environment has however been working on a new form of grant which would distinguish more clearly between the spendthrift and the prudent. There has also been a good deal of discussion about ways of ensuring better value for money in local authority services, perhaps by developing the external audit system, evolving comparative studies of performance, or even by instituting a system of capital asset accounting within each council. If the growth of local spending has indeed been brought to a halt, it is perhaps to these matters—and a more robust system of cash ceilings—that attention should now be turned.

Freeson defends building plans

Financial Times Reporter

A STRONG defence of the Government's plans to rationalise local authorities' direct labour organisations was made by Mr. Reg Freeson, Minister for Housing, yesterday.

The proposals had been subject to "blatant misrepresentation and exaggeration," he told the Institute of Building's annual conference in London.

Claims had been made that they formed part of a move to nationalise the building industry, "when in fact what is proposed is rationalisation of DLOs."

Others asserted that export efforts would be undermined because of the effect on the building industry at home.

"I do not accept that for one moment. In fact, in 1975, DLOs undertook only 2 per cent. of all new building work and less than 1 per cent. of all new civil engineering work."

The aim was to give the organisations more flexibility and, through changes in charging, accounting and tendering, and improvements in the legal framework through which they operated, to put them on a more comparable basis with private sector companies.

In essence, the proposals were those made last year by the Chartered Institute of Public Finance and Accountancy, whose report the industry had been urging the Government to implement.

"I had thought that this would please the industry," Mr. Freeson said. On the contrary, he had been told that the proposals would be strongly opposed. "Who, one wonders, is adopting a doctrinaire approach?"

If the organisations were efficient and could do work more economically than private contractors, it was right that they should be allowed to expand. "We need to maximise on the contribution which can be provided by all parts of the industry."

Jobless warning

Another 100,000 construction workers could find themselves out of a job because of the Government's spending cuts, bringing the industry's total lay-offs to 400,000, Mr. Bob Willan, president of the National Federation of Building Trades Employers, said yesterday.

In an Aims for Freedom and Enterprise report, he claimed that the industry has been singled out as the sacrificial lamb to pay for the sins, of decades of economic foolhardiness."

Unemployment within the industry could soon reach nearly 20 per cent., more than five times the national average.

In the report, Mr. Willan urges a once-for-all subsidy of £1,000 each for the estimated 500,000 people wanting to buy their own homes, a Government guarantee to building societies to cover 100 per cent. mortgages, and an extension of tax allowances for industrial building to cover houses, and business and commercial buildings.

The subsidy would double the housing market, countering the unemployment threatened by the impending cuts, while the mortgage guarantees would involve little or no cost to public funds.

As for tax allowances, it made no sense to give them to those who put up industrial buildings while denying them to those building homes, or business and commercial buildings.

A Policy for Building, by Bob Willan. Aims for Freedom and Enterprise, 5, Plough Place, Fetter Lane, London, EC4P 4LS; 75p.

Lloyd's to take part in 'terrifying case'

WE HAVE been asked to clarify the report which appeared on November 9 under the above heading by pointing out that:

1. Sun Alliance and London Insurance has paid no money into court, and no statement to that effect was made in court. In fact, as was stated, Sun Alliance paid a sum under is policy to Messrs. Donne, Mileham and Haddock to cover both the plaintiff's claim and costs.

2. Mr. Robert Derek Hansen ceased to be a partner in the firm of Donne, Mileham and Haddock in February, 1972.

Terry Kirk

Mr. Jim Slater leaving Bow Street Court.

Slater extradition case on January 5

BY MARGARET REID

ELEVEN DAYS have been set aside for the full hearing of the extradition proceedings brought by Singapore against Mr. Jim Slater and Mr. Richard Tarling, the financiers, to begin on January 5.

Mr. Slater, former chairman of Slater Walker Securities, and his one-time colleague Mr. Tarling were again remanded at Bow Street yesterday on £45,000 bail each until that date.

Mr. Slater faces six charges in Singapore of conspiracy, furnishing false statements and breach of trust in matters connected with the Singapore company Haw Par Brothers International, in which Slater Walker previously had a large stake. There are 19 charges against Mr. Tarling.

Neither Mr. Slater nor Mr. Tarling, once chairman of Haw Par, spoke at yesterday's brief hearing.

1967 Act rule

Mr. Michael Burton, for Mr. Tarling, said it was "very much on the cards" that section four of the Fugitive Offenders Act 1967 would be raised at the full hearing.

The section says that a person shall not be extradited to a designated Commonwealth country, or kept in custody for extradition, if it appears the offence is of a political, racial, national or religious character.

The full hearing will be at Horseferry Road court because of the space needed for exhibits and counsel. It will be held under Mr. Kenneth Barraclough, the Chief Metropolitan Magistrate, who normally sits at Bow Street.

The 11 days set aside at Horseferry Road are January 5-7 inclusive, January 10-13 inclusive and January 17-20 inclusive.

Efforts are still being made to trace three other former executives of Haw Par Brothers International for whom extradition warrants are held by Scotland Yard.

They are all believed to be outside Britain and keeping in touch with developments through their legal advisers.

Yard men wait

Mr. Patrick Goodbody, at one time living in the Channel Islands, is reported to be "somewhere in Europe." So is Mr. Donald Ogilvy Watson, former managing director of Haw Par. Mr. Ian Tamblyn, its former deputy managing director, is thought to have been visiting North Africa.

If they return to the U.K., Scotland Yard officers are ready to arrest them and take them to Bow Street for extradition proceedings.

Mr. Goodbody said recently that the extradition proceedings were likely to be long and expensive and that his financial position did not justify incurring the "very heavy legal costs" which would be involved in resisting the application for extradition.

"If Mr. Slater and Mr. Tarling are sent for trial in Singapore, I shall consider whether to submit voluntarily to the jurisdiction of the Singapore court."

'Spend more on roads'

A CALL for a fair alloaction of Government money to ensure an integrated and balanced regional transport policy was made in Liverpool yesterday by the inaugural conference of the North-West Roads Group.

The group is a broadly-based association representing industry, trade, commerce, the motoring and freight-carrying organisations in Merseyside, North Cheshire and West Lancs.

Col. Patrick Burford, chairman, said that they accepted that in the economic climate, national road expenditure could not be immune from cuts. But the North-West urgently needed economic and social development, which was in danger of being stifled.

Progress could not be achieved unless both central and local government made an immediate reappraisal of the balance of public expenditure and investment in transport.

Air passenger traffic up by 8% in October

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PASSENGER TRAFFIC through the U.K. main airports continued to rise in October, stimulated by the large number of late-season foreign tourists taking advantage of the depreciation of sterling.

The British Airports Authority said yesterday that at its seven airports (Heathrow, Gatwick, Stansted, Prestwick, Glasgow, Aberdeen and Edinburgh) traffic gained 8.7 per cent. on the same month a year ago, to reach just over 3m. passengers.

For the three south-east airports the growth rose by 9 per cent. to over 2.6m. passengers, with Stansted in particular showing a big rise of 23.6 per cent. to over 28,000 passengers, mainly because of increased charter flights to that airport.

Once again, the growth in passenger traffic was accompanied by a much smaller increase in the number of aircraft movements, reflecting the growing use of bigger Jumbos and other wide-bodied jets.

The steady growth of air traffic to and from U.K. airports is now interpreted by planners as confirming that the recession in civil aviation following the oil crisis in 1973-74 which has persisted since then is now over.

This means that many original forecasts of long-term traffic growth made before 1973—which were revised downwards as a result of the oil crisis and subsequent recession — may now have to be revised upwards again.

MP criticises State sackings

STATE-OWNED industries could fall into the control of "nonentities and economic and political neuters" if the Government continued its "spiteful and vindictive policy" of sacking heads of State Boards who questioned Government policy, warned a Tory MP yesterday.

Mr. Teddy Taylor, MP for Cathcart, said at Southampton: "If the Government is really genuine in wishing to have efficient State corporations run by men of ability and independence they will have to abandon the policy of sacking critics."

FINANCIAL TIMES REPORT
Wednesday November 24 1976

Non-Ferrous Stockholding

Metals in the front line

By Peter Cartwright

INFLATION SEEMS bound to influence the role of the non-ferrous stockholder more strongly than perhaps any other factor in the past 20 years. Customers whose profit margins are tightly squeezed and who run into liquidity problems will almost inevitably be compelled to seek to operate on minimum stock levels and to rely increasingly on the stockist to supply him with what he wants when he wants it. So the stockist will not only have to solve his own cash flow problems but also keep a much finer balance of stocks. To do this requires a high degree of sophistication and a substantial amount of back-up equipment which, the trade in general tends to lack.

If the stockholder has come to play a major role in the industry, it requires no great stretch of the imagination to see this role will increase. Certainly it goes almost without saying that he will become a significantly more important element in the market, however modest a place he has in it.

Five or six years ago a 15 per cent. return on capital was regarded as a reasonable objective. Inflation and a record high minimum lending rate have altered all that. The financing of stocks, which may total £2m. or more, is such that when borrowing at 18 per cent. or more has been taken into account, a return on capital of 23/25 per cent. seems not only justifiable but necessary. Traditionally, stockholding has been closely linked to the mills—it is dominated by companies like Alcan, Alcoa, British Aluminium and, particularly in copper, brass and other yellow metals, by the IMI subsidiary Henry Righton—who formed or bought out stockholders to provide outlets for the mills and to provide a service to customers.

It is still predominantly looked upon as a service. Most customers in the general engineering, construction and other industries tend to hold as wide a range of coil, tube, angles and so on as is thought necessary to cover their products. Some of it moves slowly, and if it does it becomes an increasing drag on profitability. In future the stockholder is going to be relied on to a much greater extent to provide more of the customers' requirements on demand, and to a much lesser extent as a mere topper-up or supplier of metal for special or unusual orders.

In the past stockholding operations have relied on personal experience and expertise, and while these qualities will always be necessary, they need to be supplemented both by modern handling equipment and by computerised programs, visual display units and other modern aids to achieve optimum results. And here it may be remarked that some aspects of stockholding seem to have received insufficient attention from the mechanical handling industry—or else they have got tired of trying. At any rate the physical facilities do not seem to have altered as much as one would have thought desirable in the past ten years or so. But even more crucial to successful operation is equipment to identify and monitor perhaps 3,000 tons or more, of a wide range of stocks in copper, brass, phosphor bronze, aluminium and stainless steel—which most non-ferrous stockholders now deal in.

Close links

In the early 1950s only about 5 per cent. of aluminium was supplied through merchants. To-day it is in the order of 30 per cent., a pattern not dissimilar from other metals which stockholders now trade in. In France, too, the trade is fairly tightly controlled by the mills, and there are close links with customers in Germany, but in general far more business passes through stockholders than it does in this country—up to 80 per cent. in Italy, for instance. Such discrepancies may not last for much longer, for it seems that the trend in the U.K. will quicken in the next two or three years. One of the factors likely to provide the momentum is the extension of non-ferrous stockholders into stainless steel to provide a multi-metal service. While it seems that customers for aluminium expect, or are prepared to do their own finishing in respect of cutting to length and shaping, customers for steel are much more apt to order in the precise measurements they require for production purposes. So where multi-metals are being handled in the same warehouse one would expect installation of plant and equipment which would almost certainly be necessary in any case to achieve satisfactory productivity levels.

The speed at which such structural changes take place is anyone's guess. The future is full of uncertainty, and is likely to be until foreigners believe, and can see that we are achieving economic stability.

Business confidence in a continuing improvement in demand has been sapped, and statistics for the U.K., Europe and the world generally make it clear that a plateau has been reached. Having been projected from boom to slump in quick time the non-ferrous trade is in no mood to express an undue amount of confidence. From the buoyant levels of 1974 the trade plunged to around 60 per cent. of capacity, and mills are still only working at one or occasionally two shifts. The upturn experienced during the first quarter of the year began to disappear at the end of summer, and for most people the second half of the year is not expected to be quite so good as the first half. This is perhaps more important in the aluminium section, which has suffered through the downturn in building and construction, and a movement into painted steel in the holloware industry. Leading yellow metal stockists, on the other hand, appear to be doing better, with reports of a gently rising demand from the general engineering industries as their export programmes gather pace. Nor do they seem to have lost as much ground in the building industry, partly due to the continuing demands of central heating systems and home renovations. The next year's prospects are clouded by doubts, not only about the effects of the package the Chancellor of the Exchequer is putting together—even though it is supposed to provide a stimulus to industry—but equally by the as yet unknown quantity of the new American President.

One needs to make some distinction, however, between the immediate prospects for the aluminium and the yellow metals. The aluminium mills are naturally loath to introduce an extra shift until demand is seen fully to justify it, and this is making some stockholders uneasy. They point out that with the pound bobbing about like a yo-yo it is impracticable to enter into long term commitments with continental mills, which customarily supply a significant proportion of the needs; nor do those mills, some of which have establishments in the U.K., find it an attractive market. In some instances deliveries from the mills are already tending to go out from weeks into months, with consequential delays to contracts for home and export markets, and there seems to be real anxiety that if 1977 does show an early upturn the mills will find difficulty in coping with it. This may be an exaggerated view. The copper and brass stockists have no such worries—just different ones, particularly about prices.

Crystal balls

The other day two leading market analysts looked into their crystal balls and the results landed on some desks by the same post. One predicted that the price of copper would fall to £700 a tonne and the other that it would float up to £900. Partly because copper (like gold) was used as an inflationary hedge there was a lot of anticipatory buying by fabricators and others at the beginning of the year when the price was near, or below what copper could be produced at. It rose to nearly £1,000 a tonne in the summer and has since fallen back. Whether it will fall further is a matter of argument. There are those who believe that with world refined copper stocks at more than 2m. tonnes as the result of some two years of over-production, and the likelihood of 600,000 tonnes being in London Metal Exchange warehouses by the end of the year, that prices are unlikely to firm up much in the more immediate future. There are those who argue in the opposite direction. Whichever way things turn out it is clear that non-ferrous stockholders are going to be saddled with problems of stock financing and cash flow while inflation remains so high. Their expertise in tuning their organisations to a fine pitch will make an appreciable difference to the fortunes of their customers, as well as themselves.

Midlands the main centre

THE MIDLANDS has always been an anxious barometer for the non-ferrous industry, partly because it has its roots in the region. It is no coincidence that the Non-Ferrous Metals Federation, the Aluminium Federation down the road, other organisations associated with light alloys, and other metal using industries have their association headquarters in and around Birmingham. Consumption there accounts for about one third of the national total, so what the companies are doing has a message for all those engaged in stockholding.

It is perhaps fortunate that so many in the automotive and components industries are not only export minded but have become an integral link in the assembly lines of vehicle producers. To take two examples alone, Volvo and Fiat together purchase around £120m. worth of components from this country. The U.K. has become a world supplier of vehicle components for those making cars, trucks, tractors, bulldozers and a range of other off-highway equipment. While flexible plastic piping, for instance, has taken over from metal piping, the value of light alloy casting and other components, from radiators to rear trim, wheels to body panels is steadily increasing. About 27kgs of aluminium is used in the average car.

But there is an air of uncertainty hanging over the future. The big question is the extent to which the Government will—or can—give a much needed fillip to industrial investment while reducing inflation. The cautious optimism that things were changing for the better sparked by the upturn in activity earlier in the year largely evaporated after the summer holidays. Since then most stockholders have found their orders flattening out.

Holding up

While experience over most of Europe tells the same story for aluminium, those dealing in copper, brass and the yellow metals generally appeared to be faring a little better in the second half of the year. Demand from the general engineering industries, which are pursuing export business with commendable vigour, is being well maintained. But for all sections of the stockholding community, 1977 is expected to open more quietly than had been anticipated. Clearly the rate of recovery is going to be slower and some are predicting that it will not arrive until 1978.

This will put a premium on good office management, and expose to costly and perhaps irretrievable mistakes those without a finely attuned sense of market perception or the kind of sophisticated equipment that can provide instant answers. Not everyone in the industry is alive to the risks that inflation and fluctuating market prices can bring. It is still a not uncommon practice to make "profits" out of metal bought on a rising market and sold at good margins. Nor is it unknown on a falling market for stockholders to quote "competitive" prices that may undercut the opposition but fail to reflect fully either the purchase price or the replacement price should there be an upturn. And predictions of upturns and downturns are notoriously risky.

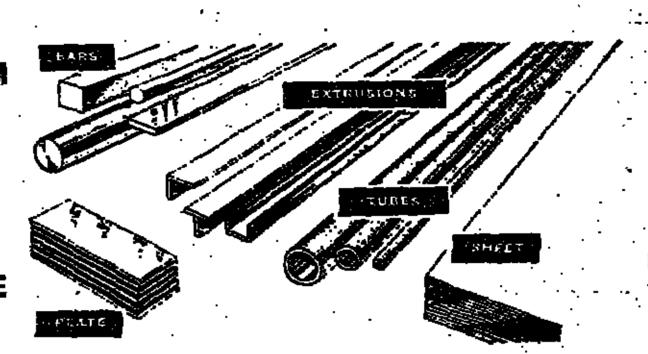
Those dealing in copper-based products live with this every day with the daily swings in the London Metal Exchange quotations. After breaking through £600 a tonne copper rose to almost £1,000 a tonne in July partly because metals were increasingly being used as a hedge against inflation by people buying very small volumes. This flurry of activity has subsided, as has confidence in the future economic growth of America, Germany and Japan which were going to tow the U.K. along with them. It is now presumed that recovery is going to be a good deal slower.

Succinct

Mr. John Methven, Director-General of the CBI who was introducing himself to the Midlands members, put the matter even more succinctly. "We had," he said, "created 1m. jobs in administration and lost 750,000 jobs in industry." He called for £3,000bn. cuts in public expenditure in the next three years (at to-day's prices) by reducing government intervention in private industry and cancelling nationalisation plans, and by commercial pricing of such things as housing, transport, health and education. This is part of the CBI's constructive programme for recovery stretching out over the next three to five years which, it is considered, would not add to unemployment.

Whatever is done (or not done) in the coming months, everyone in industry is concerned to see a return to stability in prices, stability in wages, stability in the pound. Unless such goals begin to be attained, the non-ferrous stockholding industry is likely to have a hard battle to remain healthy and competitive, for in general it is heavily tied to the home market. Exports are fractional in most instances. It is perhaps a sign of the times and a hopeful one for the future, that one or two leading groups are tackling overseas business more actively than ever before.

P.C.



NON-FERROUS STOCKHOLDING II

Aluminium's future seems assured

A METAL that can have a found effect on energy sav- aluminium seems assured of ; term future growth, even igh it will still have to com- with alternative materials. le it is more costly than e other competitive metals roduce, its use in transport e biggest single market for types of aluminium — can nately save energy by icing fuel consumption. The ications of this for stock- ers, and the prospective off into other engineering irs are considerable.

ie use of aluminium in iur plating military vehicles, ir and truck wheels, and in rowing variety of under- iet and other equipment is ming better known and h more widely appreciated the benefits it confers. restingly, international and inal committees, like those Brussels and the Energy ft Committee set up by the ernment, are studying posi- factors in energy saving as ict from energy constraints. pically, the Americans gone as deeply into this nyone with an Aluminium ciation "task force" on motive energy saving. Using starting point the Environ- al Protection Agency es that a 2,000lb. car iges 24 mpg, and a 4,000lb. only 11 mpg (part of the weight is accounted for fety factors) the conclusion rawn that each pound of inium used can save two to gallons of petrol over the of a car—and more than are currently used, a er relative figure than for pean cars. It is reckoned a feasible goal for 1980 is crease the aluminium usage 0lbs., providing a technical ig of up to 600 gallons of

iether the U.K. mills would ole to cope with the kind of very in demand that every- s hoping for is questionable at least is being questioned independent stockholders. mills are naturally tant to put on another shift it can be thoroughly fied, so that deliveries of t and some other items are ling to drift from weeks to ths, with consequential ys in delivery timetables by product manufacturers, and akening of competitiveness, cularly in export markets. e fair to the mills, it must id they have been troubled production difficulties, in- ng furnace breakdowns.

e oil crisis and inflation it up with aluminium holders in 1975. After good years despatches plum- d to 40 per cent. as cking proceeded, and it not until the middle of the quarter of this year, or abouts, that the bottom of market was reached and s generally began to im- . Despatches of rolled pro- and extrusions in the first months of this year were er cent. up on the same d last year, but more recently there have been worrying signs that the second half of the year will not quite match up to original expectations, and further prospects are distinctly clouded.

Nevertheless as Mr. E. F. Mulley, president of the Aluminium Stockholders Association, points out, the industry has now developed a responsible attitude in relation to prices. Whereas mills and distributors used to cut prices during a downturn only to push them up again in times of shortage, the shortsightedness of this sort of approach has been realised.

Cost

The high cost of stocking metal has become a major problem, however, with standard sheet doubling over the last two years from around £450 per tonne to £900. The increases have caused cash flow problems for a number of companies with some of the smaller concerns started up in more buoyant conditions a few years ago being forced to close.

Customers too are finding it costly to hold stocks, however, and for this reason, according to Mr. Mulley, the role of the efficiently organised stockists is likely to become even more important.

The stockists observe that in aluminium's early days mills used to have a price list down to 28 lbs and below. Now the minimum is 20 tonnes—a much larger quantity than some customers want to take at a time.

To a large extent aluminium stockholding is dominated by producers like Alcan, Alcoa and British Aluminium, which bought up independent groups and companies which they use as distribution outlets for their mills. While there are a few aluminium specialists, most of the 300 or so stockholders also trade in copper, brass and associated yellow metals, and an increasing number also in stainless steel, an activity in which they eem to have forestalled the ferrous stockholders. Sprinkled among the big groups are representatives of Continental mills like Aluminium Pechiney, of France, Sidal of Belgium and Alustock of Switzerland. By far the biggest yellow metal operation is carried out by Henry Righton, an offshoot of Imperial Metal Industries.

In general the non-ferrous stockholders seem to have been less ready than their ferrous colleagues to organise on quite such a sophisticated scale, partly because mills have traditionally dealt direct with customer requirements and partly because of differences in demand patterns. Quite often basic equipment consists of not much more than guillotines and saws, although an increasing number of slitting and cut-to-length lines are being installed. Not all companies see the future, however, in terms of very heavy capital investment by stockists in processing machinery. The Amari subsidiary, Aalco, one of the leading independents, has tried to avoid this, preferring to make use of specialist local metal processing facilities. Instead the company has chosen to invest in a dispersed network of outlets and in stock. The company has joined the trend towards being able to offer complete kits for certain specialist users—for example, lorry body builders—and has also introduced into a number of its centres shops for the do-it-yourself enthusiast.

The trend towards sophistication in support services continues. From handling perhaps only 5 per cent. of aluminium in the early 1950s through original merchants like Blackburn and Aston Steddall, stockholders currently handle around 40 per cent. of aluminium sales in the areas in which they are represented. (Some aluminium products such as foil do not pass through stockholders.) Many companies now operate with computerised systems including visual display units and all the associated technical support, and there is a trend towards offering package deals so that a customer need not go elsewhere for items not stocked by the principal stockist.

The possibilities for further reorganisation or rationalisation certainly exist if the trade is going to be able to cope with inflation, rising prices and increasing competition from European rivals. Their experience has not been all that different from what it has been in the U.K. over the past two or three years.

The non-ferrous stockholders have traded almost exclusively in the home market. While the fallen pound has opened up export opportunities, only a relatively few companies are tackling them energetically, and this certainly seems an area where many operators would need more expertise and equipment support to engage in overseas trading on any considerable scale. And the Government would need to bring inflation under control to ease cash flow problems.

Peter Cartwright

LME stocks at high levels

THE GREATEST stocks of non-ferrous metals are at present languishing in the London Metal Exchange warehouses on the Continent and in Britain. Copper stocks held in the LME warehouses have risen to the spectacular total of over 580,000 tonnes and seem set to reach 600,000 tonnes by the end of the year. This is by far the biggest amount held in the LME warehouses—the previous peak before the present build-up was just over 190,000 tonnes held in December, 1972, which was considered to be a huge amount at the time, although it now pales into insignificance. In contrast, during 1974 copper stocks held by the LME fell to below 11,000 tonnes at one stage.

LME stocks of lead and zinc are also very high at present. Holdings of zinc have nearly doubled in the past year to reach an all-time record level of nearly 113,000 tonnes, while lead stocks are still a sizeable 65,000 tonnes, after having reached a peak of over 89,000 tonnes earlier this year. But tin stocks held in LME warehouses have remained at a lowly total of below 7,000 tonnes.

The size of the stocks total held in the LME warehouses reflects to a large extent the state of the market. Normally the trend in stocks closely mirrors the trend in prices—as stocks rise prices fall and vice versa. This year, in fact, saw something of an exception to that rule, with copper prices going up at the same time as stocks were increasing, but this was a phenomenon created by unusual market conditions and the much more active role played by speculators and financial institutions in carrying the stocks for long-term investment purposes.

At the moment the stocks are so massive that they no longer exert a weekly influence on prices. However, the existence of such large surplus holdings, not only in the LME warehouses but throughout the world, has been the main depressing influence keeping copper prices below the cost of production for at least 50 per cent. of the Western world producers. The setback to the economic and industrial recovery, in the U.S. particularly, which was expected to bring a surge in demand for metals generally in the second half of the year, has been a particularly severe blow. Copper prices, for example, buoyed up by better demand in the first half of the year, fell by £200 a tonne to £750 a tonne when it became apparent the resurgence in demand was delayed, and it is now sterling that remains the main prop to prices on the London Metal Exchange.

Zinc

If anything the zinc market is even more gloomy. Demand has been badly hit by substitution in the die-casting market, partly because of the price competitiveness of rivals such as aluminium and plastics, and partly because of changes in car design; for example in an attempt to reduce the weight so as to give better engine performance while fitting all the extra safety gadgets now required. Threats are also posed against zinc's main outlet, galvanising steel, which is suffering from the general setback in the steel and metal industries. LME zinc prices have fallen so sharply that U.S. zinc producers have been forced to rescind an earlier price rise, and European producers are faced with the choice of either making further production cutbacks or cutting the European producer quotation, which is now at an alarmingly high premium to the LME price.

The fall in lead stocks in recent months reflects the improvement in demand for this metal, which is less affected by changes in industrial activity. The main outlet is car batteries which are still used even if the production of new cars slows down. Reported trouble with a big Soviet Union lead smelter, necessitating sustained purchases from the Western world, and a slower than expected phasing out of anti-knock compounds because of the oil crisis, have combined to keep lead prices from falling too low. So has the development of new lead-calcium "sealed" batteries, and the industrial recession which has hit recovery of secondary lead.

Tin has also moved against the general downward trend in metals, with prices rocketing to all-time peaks on the London Metal Exchange as a result of surplus stocks being mopped up by consumers, or speculators, and the decline in sterling pushing up London quotations still further. Production prospects for tin are far from bright, while demand still appears to be strong, and producing countries are pressing for a rise in the International Tin Agreement price ranges.

Of the host of metals not traded on the Metal Exchange, aluminium prices are hardening again after a sudden drop. The prolonged strike at the Alcan smelters in Canada is tightening the supply situation considerably, and prices would have been much higher but for the sudden setback in the U.S. industrial recovery.

Nickel supplies still remain plentiful, with substantial stocks held, which may make the price increases for regular customers due to be introduced from January somewhat difficult to impose. Other so-called "minor" metals, too, are generally feeling the draft of reduced demand as the industrial recovery falters.

The outlook for all metals depends to a large extent on the trend in general economic activity affecting demand. The latest gloomy assessment of economic prospects by the OECD hardly creates great confidence, although there is obviously a limit on how long copper producers, for example, can go on producing at a loss and consumers relying on surplus stocks. For Britain the outlook is particularly clouded, with demand likely to remain at a low ebb in view of the economic situation, but with sterling continuing to exert an upward pressure on the cost of imported raw materials, especially metals, traded internationally.

John Edwards

Ten sacked men at Halewood reinstated

BY ARTHUR SMITH AND ALAN PIKE

FORD MOTORS, which yesterday reinstated ten men dismissed for breaches of discipline, is optimistic that output will rise quickly at its Halewood plant in Merseyside.

But a fresh trouble spot emerged for Leyland when engine tuners at Cowley voted by a 5—1 majority to strike after the company rejected a demand that men transferred to the department be withdrawn.

The management said after the strike decision that the company would keep work going as long as possible and this would depend on the co-operation of other workers and availability of supplies.

The tuners, who recently achieved staff status after a long campaign which included a strike last year, claim that the new men recently transferred to the department are unskilled and unqualified.

In addition to the Cowley problem, Leyland's troubles are likely to increase by the end of the week because of the continuing strike by engineers at Rubery Owen, a crucial component supplier.

At Ford's Halewood plant initial vindication of the company's decision to crack down on discipline came when the men dismissed for breaches of discipline signed statements that they would work normally in line with company requirements.

The Halewood body plant, with 4,500 workers, has been plagued by lost production and strikes since the company decided last week to take a strong line on enforcing work practices.

Controversy has centred on the lead discers, men who rub down lead finish on car bodies, who were sacked for taking extended lunch breaks. They have now accepted management's case that they should take their hour for clean-up and preparation outside normal working time.

Two welders have been reinstated after agreeing that the method of operation laid down by the company is both safe and feasible.

Suspensions were lifted on three other disciplined workers yesterday, and five more cases will be reviewed to-day.

Ford maintains that output, now running 20 per cent. below the scheduled 1,000 cars a day, is depressed mainly because some employees are not doing their jobs properly.

The management argues that work-sharing and unofficial rest periods had grown to "unacceptable levels."

Last night the company was optimistic that industrial peace had been restored at the plant. "As soon as we can get a quick and significant lift in production, we shall be able to restore overtime."

Two long strikes called off

By David Churchill, Labour Staff

TWO long-running strikes were called off yesterday after strikers agreed to accept agreements.

About 400 dustmen at Canterbury, Kent, on strike for seven weeks over bonus payments, agreed to return to work to-day pending further talks with management.

About 440 aeroengine workers at the Rolls-Royce (1971) factory in Blantyre, Scotland, are to return to work to-night after a 20-week strike over transfer to a nearby factory.

The dustmen's dispute started when the local council withdrew bonuses of about £15 a week.

The strikers, mainly members of the National Union of Public Employees, were supported in their action by other union members at local rubbish tips who refused to allow privately collected rubbish to be disposed there.

The end of the Rolls-Royce dispute came after the strikers accepted company plans to close the Blantyre plant because of over-capacity in its Scottish factories and transfer the workforce to Hillington, near Glasgow.

Civil servants' pay plea

UNION leaders representing more than 500,000 civil servants appealed to the Government yesterday to re-instate research into civil service pay conditions to pave the way for a return to free collective bargaining next year.

Terry Kirk

Mr. Joe Gormley, president of the National Union of Mineworkers, greeted by Yorkshire members as he arrived for talks on early retirement at the National Coal Board in London yesterday.

Ron Smith to leave BSC Board

BY JOHN ELLIOTT, MANAGEMENT EDITOR

THE LONGEST serving member of the British Steel Corporation's Board has decided to leave the steel industry next spring. He is Mr. Ron Smith, who has had various responsibilities for the corporation's social and personnel policies since steel was nationalised in 1967.

Aged 61, he is the only surviving member of the original BSC Board and will have served on it for ten years when he leaves. He was also a member of the small organising committee that paved the way for the nationalisation of the industry.

Before starting this work, he was widely known as the general secretary of the Union of Post Office Workers and was thought to have been chosen personally by Sir Harold Wilson, then Prime Minister, to head the corporation's labour relations staff.

In recent years however he has not been concerned with the industry's day-to-day industrial relations and has now decided not to ask to have his £22,000 a year contract renewed when it expires next April.

Although not thought to be directly connected, his decision comes only a short time after Sir Charles Villiers, the corporation's new chairman, announced a series of changes in a shake-up of the industry's top management earlier this month.

In the early years of nationalisation he was BSC's managing director in charge of formulating policies on personnel, regional and social affairs including the creation and development of its worker-director scheme.

Speculative State rig order sought to save Marathon

BY OUR OWN CORRESPONDENT

A LAST PLEA for Government help to prevent the closure of the U.S.-owned Marathon oil rig yard at Clydebank with 1,400 redundancies was made yesterday.

Officials of the Scottish TUC and the Confederation of Shipbuilding and Engineering Unions asked the Scottish Office representatives to consider placing a speculative order worth £14m. for a jack-up rig to give the yard work until possible orders being negotiated can be turned into firm contracts.

The unions' idea is that a nationalised corporation like the British National Oil Corporation could order a rig now and would be able to find a use for it when it was delivered towards the end of next year. The Confederation pointed out that the Marathon yard will otherwise close in two weeks when a rig for Abu Dhabi is completed.

It stressed the importance of the yard as the only one of its kind in the U.K., and said it was a viable unit with good industrial relations and a skilled work force. The management was confident of orders early next year but some stop-gap work was needed.

The Government has already heard similar requests from the unions, and is treating them coolly. Department of Industry officials are understood to feel that if Marathon is allowed to build for stock all the other U.K. shipyards with thin order-books will make similar requests.

The unions have agreed to await the Government's final response, but are not over-optimistic.

● Coachloads of dockers from Southampton reinforced picket lines at Portsmouth yesterday in the week-long dispute over carrying of freight on the Portsmouth-St. Malo service. Ferry services were delayed as sympathetic action took place at several ports. The dockers are concerned that expansion at Portsmouth will lead to a reduction in work elsewhere.

Newspaper told 'Recognise NUJ'

THE ADVISORY Conciliation and Arbitration Service recommended recognition of the National Union of Journalists by John H. Hirst and Co., of Cleckheaton, West Yorks., in a report yesterday.

ACAS conducted an inquiry under Section 12 of the Employment Protection Act after the company, which publishes three newspapers, and the union failed to agree on recognition. The company's main objection, says the report, related to selection and training of reporters.

British Steel Corporation increases pensions

BY ERIC SHORT

BRITISH STEEL Corporation increased the pensions paid by the two pension schemes it operates by 23.4 per cent. from last April in line with the movement of the Retail Price Index. This is disclosed in the latest reports on the two funds—the Staff Superannuation Scheme and the Manaul Grades Superannuation Scheme.

But the actuary's valuation shows that the joint contribution increase from 16 per cent. to 24 per cent. of pensionable salaries sufficed to meet the increased pension liabilities.

On April 1, 1975, the BSC made pensions automatically inflation-proofed by an annual uprating every April 1, to allow for the movement in the RPI while at the same time increasing its contribution rate, of which members pay one-third.

This has not, however, led to any substantial deficiency in funds, unlike most schemes where inflation-proofing has resulted in financial problems.

During the year to March 31, 1976, the staff scheme increased in value by £63m. to £179m. and the manual scheme by £70m. to £159m. Benefits paid out by the funds during the year totalled £31m. The combined funds are now paying over £21m. a year in pensions to about 13,000 staff pensioners and 42,000 former manual employees.

The report of the common investment fund over the year showed that there was £110m. of money to be invested. About 40 per cent. of this—£44.4m. was put into gilt-edged, £23m. equities and £33.3m. in freehold property.

Investment in gilts was made throughout the year because of the high yields. At the end of the year, the fund held £108m. in property of which £28m. was in industrial, £66m. in offices and £10m. in retail properties. The equity portfolio was valued at £88m.

APPOINTMENTS

Royal Dutch/Shell group treasurer

Mr. J. H. Macdonald at present group controller has been appointed group treasurer of the ROYAL DUTCH/SHELL GROUP OF COMPANIES from February 1. He succeeds Mr. A. J. W. S. Leonard who is retiring on January 31, after 20 years with the group. Mr. I. C. McCutcheon succeeds Mr. Macdonald as group controller.

★

Mr. Brian Ancell has been appointed controller of management services for the RANK ORGANISATION. He had previously held a similar position with Rank Radio International, a subsidiary company.

★

Mr. David J. Neadle has been appointed technical director of W. F. SMALLMAN AND SON and Mr. Denis Miller has become sales director.

★

Miss Marian Coss, Mrs. Christin Darley-Jones, and Mrs. Pamela Hargreaves have been appointed directors of FEMALE FINANCIAL ADVISORS, a subsidiary of Sedgwick Forbes.

★

Two appointments have been made to the Board of KEDA CONSTRUCTION. They are Mr. E. T. Rylance, small works contracts director and Mr. E. G. Hagan, acquisition and marketing director.

★

Mr. Roger Pincham is retiring from the partnership of PHILLIPS AND DREW, stockbrokers, from December 1, but will remain a consultant.

★

Mr. M. E. Lewis has been appointed managing director of GEEST INDUSTRIES. Mr. Lewis has joined the organisation but will not take over operational control until January 1.

★

Mr. G. Thompson, Mr. J. Foster, Mr. R. W. Lee, Mr. E. Mortimer and Mr. J. S. Sandison, executives of DEXION, have been appointed to the Board.

★

Mr. W. Jubb has resigned from the Board of BRUNTONS (MUSSELBURGH).

★

Mr. Geoffrey Hook has become managing director of Bridge Graphics and Engravers (Hull) subsidiaries of WATMOUGHS (HOLDINGS).

★

Mr. R. E. Radford has been appointed deputy secretary and principal finance officer of the DEPARTMENT OF HEALTH AND SOCIAL SECURITY to succeed Mr. C. L. Bourton, who retires at the end of this year.

★

Dr. A. B. Harrington has been appointed head of the CIVIL SERVICE DEPARTMENT MEDICAL ADVISORY SERVICE in succession to the late Sir Dan Thomson.

★

Mr. F. R. Frame, a director and secretary of the WEIR GROUP is leaving the company at the end of this year to take up appointment as group legal adviser to the HONG KONG AND SHANGHAI BANKING CORPORATION. He will be succeeded as secretary by Mr. William Harkness.

★

Professor Harold C. Stewart has been appointed director-general of the Association Branch of St. JOHN AMBULANCE in succession to Mr. Nevill Marsh, who has retired.

The Management Page

EDITED BY JOHN ELLIOTT

WORK EXPERIENCE

BY SUE CAMERON

How to keep the unemployed busy

ONE OF THE main objects of the work experience scheme set up for young people by the Manpower Services Commission is to keep unemployed school leavers off the streets and out of the dole queues so that they do not become totally demoralised by their failure to find jobs.

But the scheme is also intended to have a cosmetic effect on the unemployment figures and to enable TUC leaders to show their members that the Government is honouring its side of the social contract. The Manpower Services Commission under the chairman, Mr. Richard O'Brien, hopes that work experience will help young people to make wiser career choices once they are back in the job market as well as boosting their morale in the short term. It is also thought that they would find it easier to obtain work if they can show they have already spent a few months in employment.

The employers who take part in the scheme are forbidden to give the youngsters regular work or to provide them with specific job training. At first sight therefore the project looks rather like the stonebreaking and oakum picking exercises that were eshrined in the Elizabethan poor laws. On paper it seems that school leavers who participate have little to do but help out with the occasional task and stand around watching others work.

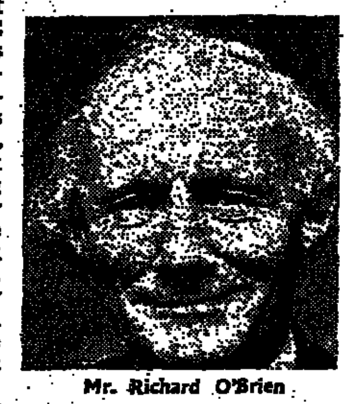
In practice however the system is far more flexible and worth while. Young people have to join the scheme for a minimum of six months and must be between the ages of 16 and 18. The MSC pays them £16 a week, free of tax and national insurance contributions through the employing companies, which also have to bear the full cost of supervision.

Atmosphere

The idea is that the boys and girls should spend about six weeks in a different department of the same business. They should learn the routine, absorb the atmosphere of the factory or office, and be given the opportunity to try their hand at various jobs. But the company that takes them on must make sure that there is always someone on the spot to take responsibility for their welfare.

Companies which want to take part in the work experience project have to draw up their own individual schemes and submit them to the MSC for approval.

They must also obtain the prior agreement of their own employees, some of whom will probably be supervising the school leavers once they arrive. It is also thought that trade unionists and other employees will ensure that the young people are neither used as cheap labour nor allowed to take away someone else's job.



Mr. Richard O'Brien

The £19.5m. work experience scheme for jobless school leavers is one of a series of measures designed to reassure trade unionists of the Government's good intentions towards the unemployed. On paper it has little to recommend it but seems in practice to be proving its worth. One firm running it successfully is ICI at Runcorn.

Since the project was started in September, the MSC has accepted schemes from 309 companies across a wide spread of industries and these will provide places for 3,351 youngsters. A further 91 schemes giving another 1,000 places are in the pipeline.

One of the first companies to join the work experience project was the Mond division of ICI at Runcorn in Cheshire. It now has 55 school leavers on its books and another dozen will probably be taken on during the next month or so. Most of the 16 and 17 year olds have been there just over a month.

When ICI decided to take part in the scheme it acted partly out of a sense of social responsibility and partly because it wanted to keep its good reputation as an employer with the local population — ICI believes that a company that does nothing to maintain its image during the lean years, is likely to find it hard to recruit good people once jobs become more plentiful. Yet some of the staff at ICI had reservations about the work experience project. Their chief worry was that the young people who applied would prove to be the worst of their age group — rough, scruffy, work-shy, and school drop-outs.

But their anxiety has proved unfounded. The company had no difficulty in recruiting to the scheme school leavers who are keen and articulate. When the first batch arrived it was explained that the work experience project was not a back-door route to a full-time job. But it is now clear that ICI would be happy to find permanent posts for some should this prove possible later.

Vicious circle

The young people themselves say the best thing about the scheme is that it will help them to find regular work after they leave ICI. They have found that nearly all the jobs they see advertised require applicants to have had experience and as they have only just left school this puts them at the centre of a vicious circle. But they reckon their chances will be much improved once they can say that they have spent six months in various departments of ICI. They also feel that the experience of being at ICI has prevented them from developing "lazy" attitudes towards job hunting.

After only a month they also have a much clearer idea of what various jobs are likely to involve. One girl admitted that before she joined the scheme she had answered a number of job advertisements without really knowing what she was applying for.

Comments like this show that many young people do not receive sufficient careers guidance in schools. A number of the 16- and 17-year-olds at ICI said the most their teachers had done was to hand out job leaflets. Personnel staff at ICI are also less than flattering about the academic qualifications with which the schools turned out their pupils. One training officer says that while plenty of the people on the work experience scheme had passed examinations in government citizenship, human biology, and environmental studies, there was a noticeable shortage of O-levels in chemistry, physics and maths.

At the same time the scheme has shown the company that academic qualifications are often a poor guide to job performance. Some of the young people in ICI's research and development branch at Runcorn have shown considerable aptitude for the work; yet if they had applied to ICI for a permanent post they would have been turned down without interview because they looked so unsuitable on paper. They are all given some training by the various ICI departments, although not to the same standard enjoyed by the company's regular trainees. When they leave a department at the end of six weeks the manager fills in personal reports on them.

Although the youngsters are confident about their ability to obtain employment after they leave ICI, the scheme has been criticised on the grounds that if those who participate fail to find jobs at the end of it, they will be even more demoralised than when they started. Some careers counsellors also claim that the project fails to give people sufficient variety of job experience. They say work experience should make teenagers aware of the options open to them in a whole range of industries—not just in one.

Final year

The present scheme is scheduled to end next September but suggestions are already being made for ways of extending it, possibly in a slightly different form. One idea is that the work experience project should be integrated with the final year at school which could be one way of meeting the criticisms.

ICI is also involved with the MSC's job creation scheme but the company's personnel officers say that work experience is probably more useful for young people because it includes a training element. The acquisition of a few skills — however basic — can make it easier to find regular work. But in the eyes of the school leavers themselves short-term job creation has one advantage over work experience. Marcia Royle, who holds the title of Miss Runcorn 1976, has been doing reception work with ICI under the work experience scheme but she is now joining a job creation plan being run by the Cheshire police. For Miss Runcorn, who has been unable to find regular employment despite her training as a hairdresser and beauty therapist, has discovered that gross pay for job creation is twice that for work experience.

BRUSSELS

Fears allayed on dumping

BY DAVID BUCHAN

NEVER HAS the temptation for British manufacturers to cry wolf or "dumper" at any foreigner who puts low price goods on to the U.K. market been stronger. Nor, given the economic outlook, is it likely to get any weaker in the short term. The anti-dumping division in the Department of Trade, whose 20 investigators were virtually twiddling their thumbs two years ago, now have 15 official inquiries in train and many more in preparation.

But on July 1 next year responsibility for anti-dumping switches from London's Victoria Street to Brussels. This timetable has been long laid down in Britain's Treaty of Accession, and it neatly dovetails with the removal of all remaining tariffs between the U.K. and other EEC member States on that date. Yet the imminence of the switch has raised fears among the British business community that the tiny anti-dumping unit (at present numbering five) in the EEC Commission will be unable or unwilling to cope with the flow of British complaints, that different criteria will lead the Commission to ignore import problems special to Britain, and that in general, any action by the EEC will be both *too* little and too late.

Unknown

These fears were originally shared by the Department of Trade and the CBI. But the Secretary of State for Trade, Mr. Edmund Dell, this summer gained reassurances from Sir Christopher Soames, the EEC Commissioner under whose general purview dumping policy falls. For its part, the CBI has been much heartened by detailed explanations it was given in London last month by the head of the EEC anti-dumping unit, Hans Beseler, who is a vigorous German with an excellent command of English. British business fears, officials in London and Brussels now both agree, boil down to "fear of the unknown" and reassurances are now offered on the following grounds.

First (and least important) on the question of numbers, Herr Beseler says that though the U.K. dumping portfolio may double his case load, he also plans to double his staff next year, perhaps poaching a few DoT officials. His DoT equivalent, Mr. George Barry, says that for his part he has no intention of "pulling down the shutters" on his operation in London.

British complainants will not be left unaided to treat with a remote Brussels bureaucracy. Of course, after July, direct approaches to Brussels will be possible, though more likely through the medium of European industry or trade federations. But the DoT will still advise British business how to present their complaints through a lengthy Brussels dumping questionnaire and how to bring evidence up to the "prima facie" stage.

Decisions in Brussels as to whether to act on, or reject, a complaint are only taken after the Commission has consulted an advisory committee on which a British official sits. Thereafter, if a complaint is acted upon, the spadework of preparing a full case will fall on national Governments who are usually only too eager to help. "Dumping is one of the rare fields in the Community," Herr Beseler comments, "where the Commission has no problem in getting co-operation from the member states."

Some delays are probable. But Herr Beseler defends the Commission procedure—where most cases are completed within three to five months after a case is formally announced — as much quicker than the minimum of seven months that U.S. investigations now take.

The responsibility for dealing with complaints about dumping of goods passes from Whitehall to Brussels next year, just as U.K. interest in the subject builds up

Herr Beseler goes on to praise what he calls the EEC "success rate," success being defined as a case which ends in a duty imposed or a price undertaking gained. The U.S. success rate was 38 per cent. in 1975/76 while for the EEC, which admittedly handles about half the number of cases, the success rate was 73 per cent. in the same period.

Like the British authorities the Commission prefers to reach a price understanding rather than the ultimate weapon of a duty. Duties require a tiresome exactitude of proof of dumping and have to be imposed by all nine member States, while price undertaking can be restricted to one or two countries and are also flexible in that they can take account of inflation through a review clause.

Lastly and most important, there is no great gulf between the anti-dumping criteria used traditionally by London and Brussels. Both U.K. and EEC legislation is based on the GATT anti-dumping code (which Britain and the Community of Six helped to draft in the 1960s). There are one or two slight differences in practice, though. The Commission tends to move very slowly, if at all, on cases where any hint is dropped by its Competition Department that it is a European cartel asking for protection. U.K. legislation defines an industry for dumping injury purposes more narrowly than the Commission generally does. But the Commission roundly affirms that it has the flexibility to bring cases on behalf of one country or even one region.

Customs or tax

There were, by contrast with the U.K., no great cris de coeur from the original EEC Six when their anti-dumping prerogative was subsumed into the Commission in 1969. According to some British officials, the reason is that the concept of the anti-dumping duty is an Anglo-Saxon one. Countries like Italy and France have long used other means—such as administrative obstacles at customs or tax harassment of importers—to keep out low-priced imports, while at the other end of the spectrum the free trading Germans have been traditionally unsympathetic to anti-dumping duties. Commission officials dismiss the thesis that Britain is the primary target for dumping because it is the most free trader in the Community. They point rather to facts such as that for all the low-cost producers in the Far East, an English-speaking market is more accessible.

Regardless of any past differences of philosophy, all EEC countries are now converging towards a tougher policy, though Italy, with its residual quotas and import deposit schemes this year is out in front. The Germans are more alive to the dangers of dumping, while in the U.K. the surveillance licensing system for many imports amounts to a kind of administrative harassment.

This is mirrored in the Commission which has opened nine official investigations this year and has another six in the pipeline. This month it followed up the launching of its biggest inquiry, on Japanese ball bearings, with the imposition of its first-ever duty, on Taiwanese bicycle chains.

One further safeguard for the U.K. expires at the end of next year. This is the Treaty of Accession provision that allows the Commission to take action on Britain's behalf against dumping from the other eight member States. Current complaints chiefly concern Italian exports to the U.K.—the lira has fallen almost in tandem with the pound. But no intra-community duties (except for the extra-legal French tariffs on Italian wine) have ever been imposed. And in any case dumping cannot logically exist inside a unified, tariff-free market.

Big U.S. influence on north-west jobs

ONE IN every 14 workers in private enterprise manufacturing in the U.K. is employed by an American-owned company. In some areas of the north-west, however, the concentration of American ownership is such that every other worker has an American employer.

This emerges from a study by the University of Manchester which shows that the U.K. as a whole is second only to Canada as the individual country with the largest share of U.S. foreign direct investment. In 1973 14.9 per cent. of the value of all U.S. foreign direct investment in manufacturing was in the U.K.

In North-west England over 80,000 workers find their employment in U.S. firms. This is 7.5 per cent. of the total manufacturing workforce in the region and most of it is attributable to a small number of firms with headquarters in New York or Detroit.

In particular areas of the North-west, the share of the workforce attributable to U.S.-controlled companies rises to 50 per cent. of all manufacturing employment and much of this is often associated with a large company in a single industry.

Ellesmere Port, Garston, and the Wigan area, for example, have somewhere between 46 and 49 per cent. of their workforce employed in such large U.S. companies as Ford, General Motors and Heinz. More than one-third of Kirkby's workers are employed in U.S.-owned factories.

The study, published in the current issue of the journal Environment and Planning, is especially critical of the serious deficiency of published, up-to-date information on topics such as the geographical concentration of foreign investments.

BUSINESS PROBLEMS BY OUR LEGAL STAFF

Tax deductible expense

I am considering the installation of an electric door entry speaker system in an investment property. The choice is between outright purchase of the system, or renting by contract. Would either method of payment qualify as a tax deductible expense for "furnished lettings?"

The rent should be allowable as a deduction in the schedule D case VI computations, but it is unlikely that you would be given any tax allowance for the cost of outright purchase.

Inspectors vary in their attitude to matters like this, on which there is no clear-cut legislation, and only you can judge from past experience how your own Inspector is likely to react.

Removal of covenants

I am planning the development of a fairly large site in which there is an old restrictive covenant. If the covenant were to be invoked at some late stage I understand it is possible to insure against the possibility of having to remove the buildings, but this is not very satisfactory. Can one commence proceedings for the removal of the covenants and thus safeguard the development until such time as the case could be heard? What sort of awards are likely to be made of the costs of an action?

It is correct that you might be able to obtain a policy of assurance, but normally such policies are not issued unless the risk of there being someone who is entitled to enforce the restrictive covenants is very slight. If a policy is not obtainable, or if you prefer not to adopt that means of protection, your choice lies between making an application in the Chancery Division of the High Court for a declaration that the restrictive covenant is no longer binding (under Section 84 (2) of the Law of Property Act 1925) or applying to the Lands Tribunal for the modification or discharge of the Covenants (under Section 84 (1) of the Law of Property Act 1925). The latter is the more usual course to adopt, but it does enable neighbouring landowners to raise objections. In any case you should consult a solicitor to ascertain which is the appropriate course in the circumstances of your case. You are not likely to be ordered to pay the costs of an unsuccessful opponent, although in the Lands Tribunal he would not normally be required to pay yours.

Discontinuance orders

We have been served with discontinuance orders under T and C Act 1971 Section 51 on three premises which we occupy. It is our intention not to contest the order on one of these premises. The council have offered us a figure on the three premises but will not commit themselves on individual valuations. Shall we prejudice our position as to compensation if we do not contest the order?

We do not think that your position would be adversely affected by your failing to contest the discontinuance orders.

*

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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WEDNESDAY, NOVEMBER 24, 1976

Bending the GATT rules

ONE OF the principles of free trade is that countries with a comparative advantage in a certain product should be free to export it throughout the world. It follows that an apparently labour-intensive industry like textiles or clothing will tend to shift to developing countries where labour is cheap: the developed countries have to offset the loss of jobs by fostering more advanced, capital-intensive industries. The speed of the migration can be regulated by international agreement and that was the purpose of the GATT Multi-Fibre Arrangement (MFA) of 1973. However, the European textile industry is arguing that many of the assumptions underlying MFA are invalid, that the principle of comparative advantage on which the GATT rules are based are not applicable to the bulk of world trade in textiles, and that the agreement must be drastically revised next year.

Slower growth

The dimensions of the problem are set out in a document issued yesterday by the European synthetic fibre manufacturers. The MFA provides for a minimum growth rate in imports of 6 per cent. a year, which implies an actual rate of 8-9 per cent. as new suppliers come into the market and new sectors of the business are attacked. In view of the current recession and the slower economic growth which is now in prospect, an 8 per cent. annual increase in imports will have the effect of reducing employment in the European textile and clothing industries (including man-made fibres) from 4.5m. to 2.9m. by 1985.

The manufacturers argue that the textile industry has now become capital-intensive; with adequate investment in new machinery and efficient use of labour, it is possible for a high-wage country to be highly competitive in textiles, as the U.S. has shown. The clothing industry, though changing, is still labour-intensive and hence more vulnerable. But the textile production process, starting with petrochemicals and embracing the manufacture of synthetic fibres, yarn and fabric, depends on a steady demand from an indigenous clothing industry. If the last stage in the chain is removed or greatly reduced in size, the viability of the rest is put in jeopardy.

The industry claims that the pricing policies of the developing countries and the state-trading countries (which are an important factor in textiles) bear no relation to GATT rules and are virtually impossible to police: the prices charged may be the result of outright dumping (always difficult to prove), subsidies to production, subsidies to exports, multiple exchange rates or some form of price discrimination.

How should governments respond to these arguments? Part of the trouble has been the failure of the EEC to use the Multi-Fibre Arrangement effectively. Unlike the U.S., the Europeans were slow to negotiate bilateral agreements with the principal exporters: these countries were thereby able to build up a higher base from which to calculate quotas. But the 6 per cent. growth rate for imports which seemed appropriate in 1973 is now almost certainly too high.

Fairer balance

The industry is suggesting that Western Europe should move towards a contractural relationship with textile exporters, so that the volume of imports could be more closely related to the state of demand in each major sector. The danger is that this approach will spill over into other industries. But European governments, faced with the possibility of persistently high unemployment, can hardly ignore the continued decline of the textile sector. What is at issue is not free trade *versus* protection, but the speed at which imports of textiles and clothing increase their share of the European market. The task for the EEC is to devise arrangements which provide a fairer balance between the interests of exporters, importers and consumers than the present agreement.

Time for Germany to reflate

THE REPORT of the "Five Wise Men" on the German economy—to be published to-day—marks a clean break with recent policy recommendations both from within the Government and from other institutions. It is the first time in the present economic cycle that a body, of which the Government is bound by statute to take some heed, has come out with an outright call for reflation.

Investment

The case they put may be summarised as follows: the German economy is still growing, but the 6 per cent. growth likely to be achieved this year will be based heavily on the rapid expansion in the first half. Next year, on the basis of unchanged policies, the growth rate will probably be around 4.5 per cent. This may look adequate and even impressive to some countries, but would not be enough to absorb Germany's unused capacity. The Government should therefore inject sufficient stimulus to raise the growth rate to around 5.5 per cent.

It is a case which in the German circumstances is beginning to be compelling. It has been clear for some time that Germany has an unemployment problem that has become structural. The country has gone through successive winters with the number out of work around the one million level: even when the economic recovery was at its height the fall was not significant and now the number is again rising. There are certain regions and certain industrial sectors where unemployment scarcely seems to come down even if the economy overall is booming.

Nor is the slack confined to the labour market. The use of capacity in industry is running at around 81 per cent., only five points up from a year ago. In the steel industry production is not yet back to 80 per cent. of the level reached in 1974.

The margin of unused resources has in turn affected investment. Not so long ago Dr. Hans Friderich, the Economics Minister, said that investment would have to grow by 8 per cent. a year in real terms between now and 1980 in order to produce a return to full employment. In fact, the latest figures from the IFO Institute in Munich suggest that investment this year is up by only a nominal 5 per cent. and thus, in real terms, by rather less than 2 per cent. The IFO forecast for 1977 is a nominal rise of about 6 per cent. The paucity of the increase is in spite of a Government policy aimed at increasing company profits.

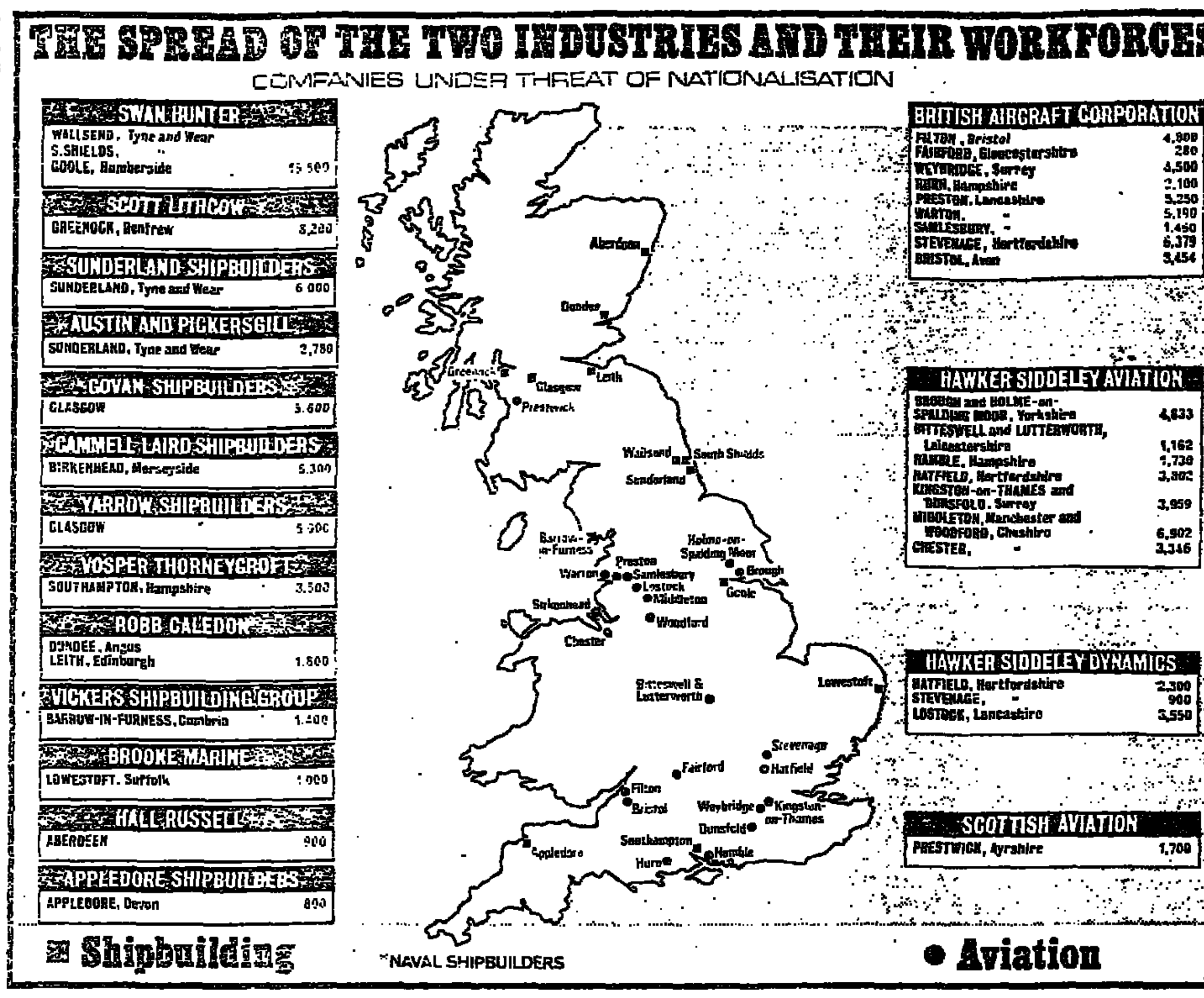
Yet the very existence of so much unused capacity is itself an indication that the Government could risk some reflation without endangering the country's relative price stability. The circumstances are quite different from the 1960s when the most frequent danger was the threat of inflation resulting from overheating and what seemed a permanent shortage of labour. Moreover, the present rate of inflation of slightly under 4 per cent. is so low by international standards that the risk of a marginal increase could quite justifiably be taken. Indeed the risks of not reflating are probably rather greater in terms of a deterioration of relations with the trade unions which had been promised an increase in investment—and therefore jobs—on the basis of present policies, only to find that it has not significantly materialised.

Forecasts

For all these reasons the Five Wise Men have produced a case which it will be difficult to ignore. The Government's immediate reaction is likely to be to play for a little more time and, given the need to complete its own forecasts for 1977, that is perhaps understandable. But it is hard to see any new figures emerging in the next month or two to challenge the basic argument that German unemployment is now a greater problem than German inflation.

Uncertainties after the delay in nationalisation are described by **Michael Donne** and **John Wyles**

The doubts and difficulties of ship and plane makers



THE BATTLE over aerospace and shipbuilding nationalisation, which is expected to be resumed in the new session of Parliament, will take place against a background of unprecedentedly difficult conditions in world markets for both industries.

A shortage of orders for merchant ships and many types of civil aircraft (warship and military aircraft construction continues at a high level) has been developing for some time. Also the uncertainties over future ownership of the two industries, while not directly linked with world market conditions, must aggravate the difficulties under which both industries are trying to work.

These uncertainties seem likely to last for at least another few months. Even if the nationalisation Bill is reintroduced immediately, with the Government invoking the Parliament Act of 1911 to help its passage, it is not likely to become law much before Easter, and could be even later.

Reaching for th eappropriate metaphor, the managing director of one of Britain's leading merchant shipbuilding companies yesterday described the state of his industry as "a ship without a rudder drifting further into darkness." There is no jubilation within the companies that the Government's Bill has suffered such a serious setback: over the past year nationalisation has seemed inevitable and opinion has ranged from lukewarm support to lukewarm opposition. But the protracted wrangle over the Bill has had a tangible effect on attitudes of middle and senior managers and more than one company was talking yesterday in terms of "a collapse of morale."

Nationalisation has now been on the political agenda for more than three years and its looming presence has inevitably created inertia in the policy formation of several major companies. This has proved too frustrating for some managers who have simply left the industry. Increasingly in the words of one chief executive, "you are left with many of the people you don't want" and the prospect of another six or nine months of uncertainty will almost undoubtedly make this haemorrhage of talent worse, leaving the industry in a weak managerial position to cope with one of the worst market crises in its history.

This in itself should have been enough to make the Government pause and balance the industrial interest against the apparently overriding political requirement of besting the Lords over such a peripheral issue as the nationalisation of shiprepairing. But the Government's actions may also cost it the services of most of the people it has nominated to run the industry after nationalisation. More than half of the seven full-time members of the British Shipbuilders organising committee have been contemplating resignation over the past week-end because, as one of them put it, "we can't go on sitting around indefinitely without any real authority." The position of Mr. J. Graham Day, chief executive designate, and his team should become clear over the next day or two but if there were any significant departures, there would be few candidates of any real calibre willing to replace them.

Contemplating nationalisation, merchant shipbuilders believed that it offered the one positive means of wringing a policy out of the Labour Government which would both help the industry to survive and offer some prospect of an orderly contraction. Ideally, this would be based on some logical criteria determining which yards ought to be saved because of their profitability and prospects. Most companies have order books running into 1978, but all will be running short of design and steelwork next year and the organising committee planned to devote maximum marketing priority to shoring up the order books of those companies most in need.

Delaying the Bill is as good as leaving the industry to its own marketing devices for at least three-quarters of next year, without any guiding strategy to mitigate the inevitable, potentially destructive competition. It is difficult to see all the private companies surviving until, say, next September unless aid is made available.

However, with nationalisation still on the agenda but not on the Statute Book, a national policy for the expenditure of public money, on shipbuilding seems unlikely. This increases the probability that British yards will fail to find any shelter from the international crisis —which stems from an over-capacity in world shipbuilding of around 60 per cent. because demand for new ships for at least the next four years will only be 37 per cent. of 1973-74 levels.

The outlook can now be predicted with some precision. The British companies have been producing around 1m. gross tons a year. In a world market of 13m. gross tons which looks probable next year and the year after, the companies could on the basis of traditional market share expect a drop in output of more than 60 per cent. This would mean a loss of between 20,000 and 23,000 of the 41,000 jobs in these companies and 2-3 times as many in supporting industries. Without a co-ordinated policy directed at increasing Britain's market share a cutback of such proportions looks increasingly likely.

The first instalment will be apparent over the next three months. Scott Lithgow, Robb Caledon, Govan Shipbuilders, and Hall Russell will all be forced to make men idle unless orders materialise. By the end of next year, virtually every major company except Austin and Pickersgill is likely to have fewer men on its books. Sweden, West Germany, the Netherlands and Japan are all producing policies aimed at a planned reduction of their shipbuilding industries. The question the Government must face is: can Britain afford to wait?

As for the aerospace industry this now faces two major necessities. The first is to ensure that overseas confidence in the industry's long-term ability to participate in future international civil and military programmes is not jeopardised by the delay and perhaps the failure of the State take-over bid.

The second is to press on with these international discussions, in the hope that a U.K. share of some of the new ventures now being mooted can be arranged in time to prevent a significant run-down of the civil side of the industry. Prevention of a run-down is not now, and never was, dependent on any State take-over. It is governed by international events over which the U.K. itself has little control—such as the still largely unclarified needs of the world's airlines. With or without nationalisation, there has always been the possibility of a major rundown on the civil side as existing programmes such as Concorde, One-Elevens and Tridents were worked through and new ventures were slow to replace them.

Thus, claims by Lord Melchett, the Government spokesman in the Lords, that there will be a "catastrophic" result from the thwarting of the Government's take-over plans are greeted with scepticism in the industry. It is pointed out that the Government itself has been leading the international discussions on new programmes on behalf of the entire industry of 200,000 workers—and all those in the ancillary equipment, electronics and components industries, collectively representing probably closer to 500,000 workers—and not just on behalf of the 70,000 who would be directly involved in the take-over of British Aircraft Corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics and Scottish Aviation.

It is pointed out that there need be no "catastrophic" results if the Government is prepared to back the industry in the interim period while new programmes are sought. This could be done, for example, by giving more support to existing ventures. Concorde is cited as one that would benefit significantly by Government approval

Nevertheless, settling future civil programmes remains the most important single task facing the major aerospace companies to-day. Order books for military aircraft, guided weapons and space equipment are full—for example, with the Tornado multi-role combat aircraft, Jaguar jet strike-trainers, Hawk trainers, and with the promise of big new orders from the U.S. for Harrier jump-jet fighters. But on the civil side they are running down fast.

The scale of investment required in even the smallest type of new civil aircraft precludes the possibility of the U.K. undertaking any project by itself: international collaboration is essential. At the same time overseas manufacturers are strongly interested in having the support of the U.K. industry and part of any cash available.

So far, however, none of these international discussions —which have ranged from 100-120 seaters, through 160-180 seaters up to bigger 220-seaters —have got anywhere near the stage where formal, final designs can be offered to the airlines, and international consortia formed to build them. Decisions are not expected until the world's airlines themselves have decided what they want to buy, and this is not likely until some time in 1977 or perhaps even early 1978.

Thus, the whole future of the civil side of the world aerospace industry cannot really be settled for perhaps another year, and with it the future of the U.K.'s own civil aerospace activities.

Two other factors could influence the immediate levels of the industry's work-force. One would be if the international aerospace industry, because of uncertainties over State control, were to disregard the U.K. and settle new ventures without reference to this country. This might happen—Boeing, for example, is big enough to move ahead alone—but it is not likely to occur, when a few months' waiting could revolutionise the situation.

The other factor would be if the U.K. Government itself decided to reject launching aid for new ventures for the entire industry, merely because its immediate plans for State control have been rejected.

MEN AND MATTERS

Union relativities

The how-much-do-you-earn debate shows signs of reviving again in the midst of severe pay restraint. Early this month, directors of State-owned Cable and Wireless protested about their pay (the managing director being on £12,830 and four colleagues on £10,330) and the way it had increased only 8 per cent. in four years, and several Press articles have taken up the old irresistible theme of examining relative earnings.

Whatever other abuse is heaped upon trade union leaders, they cannot be accused en masse of paying themselves high salaries in comparison to industry. Playing the relativities game among the unions, however, generally leaves the National Association of Local Government Officers among the best-off.

Geoffrey Drain, the general secretary, earns about £12,000, which must put him at or near the top of the league in the country. This week, applications close for the rewarding (in union terms) post of NALGO assistant general secretary, the salary scale being between £9,468 and £10,428. The union has two officers at assistant general secretary level, the other being in charge of "service conditions."

Unions with civil service and local government memberships tend to link their salary levels to those of senior civil service and local government officers. (Drain's pay would correspond, for instance, to a treasurer in an authority covering a population of around 1m.)

A few years ago, Drain was unchallenged as the highest-paid union official. Among those who probably rival him nowadays is Clive Jenkins, the leader of the Association of Scientific, Technical and Managerial Staffs.

Jenkins's union is one of those that declines to discuss its top salaries in contrast to the publicity attaching to the higher reaches of public companies and the civil service. Certainly there are many union officials who envy NALGO. The Transport and General Workers' Union does not say what Jack Jones is paid, but it is probably about the same as Hugh Scanlon.

His Amalgamated Union of Engineering Workers is brisk and frank about salaries. President Scanlon and the general secretary receive £6,312; members of the executive council £5,512; and assistant general secretaries, divisional organisers and such like £4,712. Scanlon's rate is definitely below average,

Book news

The shameless plugging by entertainers of their records and other shows when interviewed on TV and radio has been growing, and it seems to be the vogue now for political leaders to go to extraordinary lengths to advertise their books. Edward Heath not only undertook the ritual signing session this week for his work on music but also had the London Symphony Orchestra under his baton to "celebrate" the book's appearance. Harold Wilson's plugs for his tome on governing Britain have been coming thick and fast.

So I will devote space to someone lacking such influence. One intriguing offering is Stephen and Jean Lance's The Showman's Directory 1977, stiff with information for those who organise shows, fetes or fairs.

Here are found the suppliers of stuffed potatoes, flagpoles, the Wombles, the King's Troop Royal Horse Artillery, and mobile lavatories. There are no fewer than five doughnut concessionaires listed, against only four barbecue and steak bar concessionaires. Nice to know where you can contact a glass-blower, or the author of Maureen's home-made fudge.

There is a quartet of available commentators, including John Sier (Your man with the Mike), and some daredevil entertainers from the motor-cyclist who hops over buses ("Please ask for quotation on either Coach or Double Decker Jump") to the Uninsurable Stunt Drivers, the last accompanied by a picture of a car on its nose with a caption proudly announcing that the driver broke his nose at the time.

It is the ninth edition of the booklet compiled from the contacts Stephen Lance has made as secretary of the Surrey Agricultural Show. He is probably too modest to reveal when he intends to make the film.

Mrs Barber's deal

The Iron Curtain countries, as Mary Barber said last night, have long accepted with equanimity having women in senior commercial posts. She is the Eastern Europe area sales manager for Molins, and as such played a key role in winning a contract to supply £7½m.-worth of filter cigarette producing machinery to Russia.

Mrs. Barber was surprisised, therefore, when she found over the last year that the negotiating team from Russia's Technopromimport included two women: the chief lawyer and the chief finance officer. Mrs. Barber, though British, has a cosmopolitan background, being born in China and coming here first at the age of three. She undertook Soviet studies at Cambridge and Essex universities before joining Molins in 1969.

Slight pity that Molins' deal (one of the relatively few which have flowed from the trade promotion efforts of Mr. Wilson when he visited Russia in 1975) culminated yesterday with a contract signing celebration at the group's Deptford office, featuring a Soviet contingent of . . . two mere males.

Acid break

There has been plenty of cut and thrust in the Parliamentary struggles over the now temporarily defeated Aircraft and Shipbuilding Industries Bill. A close study of the proceedings of the Commons' standing committee examining the proposals is rewarding for one acid exchange.

Teddy Taylor, Conservative MP for Glasgow Cathcart and just elevated to the shadow front bench as spokesman for Trade, at one stage embarked on a long address. After some 1,500 words (by my quick reckoning) he chided a couple of other Scots, Labourites David Lambie and William Small, for visual opposition: in the case of Lambie he took him to task for laughing.

At which point, Lambie, MP for Ayrshire Central, chipped in with a memorable line: "Watch the time. It is nearly drink time."

To which Taylor offered the dour riposte: "I shall go ahead with this even though the honourable member may be thirsty —not just because I am a teetotaller but because I am thirsty for justice." He plunged on.

Bananaed

For the "how others see us" scrap book. This statement was put out by the Swedish Employers' Federation at the start of its national wage bargaining season: "A continued increase in wage and employers' dues at the rate which was introduced in 1974 will force us quite quickly into a situation comparable to that in England or the South American countries, with incessant and recurring devaluation and an ever lower standard of living."

Observer

هكذا من الاصل

هكذا من الأصل

Design flair has kept Sinclair Radionics up with its huge rivals, but now there are cash problems. **Christopher Lorenz** reports.

Why an innovator turned to the NEB

[Y]ESTERDAY'S announcement [t]hat Sinclair Radionics has had [t]o go to the National Enterprise [B]oard for aid will revive debate [a]bout whether private sector [fi]nancial institutions are giving [e]nough support to Britain's [s]mall-scale entrepreneurs and [in]novators.

In the four short years since [h]e entered the public eye at [th]e age of 31 with the launch [of] his notebook-sized "Execu[ti]ve" electronic calculator Mr. [C]live Sinclair has, for many [p]eople, come to epitomise the [a]dventurous small businessman. [Hi]s entry—albeit only partial [—]into the public sector will [ca]rry considerable symbolic [si]gnificance for other hard-[pr]essed innovators who may be [fa]ced with similar financial [pr]oblems.

From the point of view of an [N]EB which may have to fight [ha]rd to justify its own existence [be]fore long, it will be impor[ta]nt to show that Sinclair's re[no]wned technical and marketing [fla]ir is not dulled by the [rel]ationship. There was [cer]tainly no hint of this yester[da]y; on the contrary, Mr. [Sin]clair pointed out that the [NE]B injection was far more [tha]n the company needed just [to] survive, and that it will [en]able him to go ahead as [pla]nned with the launch of his [ne]w semi-pocket television [ear]ly next year. He also [em]phasised that the NEB had [enc]ouraged him to continue his [eff]orts to exploit the growing [ma]rket for digital watches—[tho]ugh his ill-fated efforts to do [so] over the last 16 months were [a] major factor behind this [sum]mer's cash crisis, according [to] his own account.

[M]any people will be surprised [at t]his twist in the fortunes of [a co]mpany at the centre of such [fash]ionable businesses as calcu[lato]rs and digital watches, whose products have won awards and —in the case of the "Executive"—been displayed in prestigious art galleries all round the world. Only last Sunday, the company was prominently featured on the glossy pages of a leading Sunday colour supplement (the timing was coincidental).

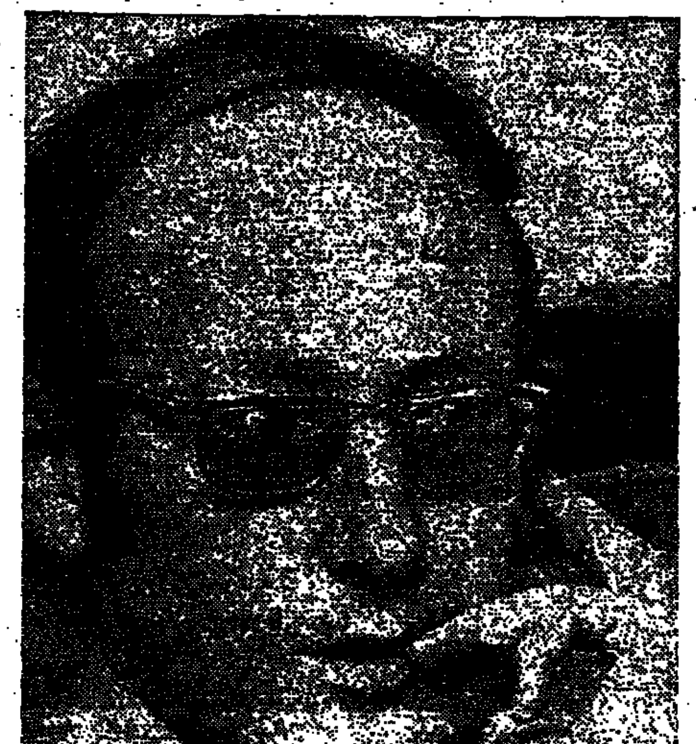
The trouble lies in the very fashion-content of his products, the rapid changes in the technology on which they are based, and the constant reduction in their cost.

The extent to which consumers have benefitted by ever falling costs is illustrated by Sinclair's own price record. Four years ago, the retail price of a basic, four-function calculator with eight digit display and floating point was about £50. Just over a year later Sinclair's cheapest machine was on the market for only £20. By January 1975 it had halved again, and (in an improved version) now costs £4.95.

Irregular

Rather than taking place steadily, this decline has occurred in irregular stages often triggered by American or Japanese companies perhaps 50 times his size (therefore better able to carry losses), as well as sharp fluctuations in consumer demand. The U.S. industry giants, such as Texas Instruments, National Semiconductor, Rockwell and Hewlett Packard have all made heavy losses on calculators at some stage in the past two years—and some of them are still.

The fact that Mr. Sinclair has managed to stay in the business for so long in these circumstances, with a small capital base, an overdraft limit of only £250,000 and a relatively narrow product line, is testimony to his ingenuity and flair. Periodic cash crises, with the launch of a new product, or a sudden build-up of stock when demand fell away, were always overcome. At least until last year, this was often thanks to the fact that he and his youthful team —based in a converted waterside mill at St. Ives, Cambridgeshire — stole a march on the opposition giants with a new design. This image has shown signs of a revival in recent weeks, with both the new gold-plated "Sovereign," and the re-vamped Cambridge range, which was first introduced several years ago.



Mr. Clive Sinclair: a David among hungry Goliaths.

One of the keys to Sinclair's success has been his technical brilliance: in general, he and his colleagues designed their own minute integrated circuits (or chips) which are the brain of every calculator, and account for much of the manufacturing cost. The design was then made by an outsider supplier, in the U.K. when possible, but otherwise in the U.S., where all but one of the world's leading integrated circuit makers are based.

Clive Sinclair has always insisted that he was not at a disadvantage through not having a vertically-integrated operation like some of his leading competitors, who make the "chips," displays and even sometimes the cases for their calculators. Again against the trend, he did not have these components assembled into finished products on his own premises but subcontracted the work to companies in various parts of Britain, until it was decided this year that in-house assembly would improve quality and cut overheads.

The troubles which finally led to Mr. Sinclair's approach to the NEB in July started, it could be argued, about a year earlier, when Mr. Sinclair found he was becoming unable to compete given the slump in prices at the bottom end of the market.

His mid-range calculators continued to be competitive, however, and his position was improved when the EEC quota on Far East imports was re-activated, and when, this summer, the Government was able to remove import duties on displays, one of the major cost components in calculator assembly. This enabled him to cut the price of the simplest Cambridge model below £5, which he claims was profitable —as was his entire calculator operation once more, he insists.

Tougher

It was partly because he had realised that calculator competition was becoming even tougher, and that the U.S. majors were prepared to carry losses over a long period in order to increase their market shares, that he had already decided to try to repeat his 1972 coup, and beat the Americans into the latest market for consumer electronics—this time, digital watches.

He now argues that he could have coped with the intermittent calculator problems—including a general market slump in the late spring—if his watch plans had gone according to schedule, and he had entered the market with a splash by last Christmas. Again, he chose to do his own circuit design, and go to an outside manufacturer for supplies. Early last November the company staged a major advertising and marketing launch of the £25 "Black Watch" (it had a rectangular black plastic case, to attract the youthful market at which it was aimed), and announced that it expected to win 30 per cent. of the U.K. digital watch market in 1976, which it thought would total about 750,000: current estimates are for about 1m., or a tenth of the market for watches of all types.

The exact nature of the technical problems which beset the circuit, and which have cut Sinclair's watch sales to a mere trickle, is currently in legal dispute between the company and the supplier. Several months ago, he changed course and bought a different design from another supplier, but at higher cost. This made Sinclair uncompetitive at the bottom end of the market, where prices have since sunk to well below £20 as intense price-cutting got under way even more rapidly than in the early days of the calculator boom; there are likely to be even more price cuts after Christmas on some watches with red displays (called light-emitting diodes), since the U.S. industry is faced with over-capacity.

Not only are the U.S. majors starting a price war, but one of them, National, has admitted severe technical troubles with its own watch circuitry, as well as assembly. The problems have been bad enough to cut the first quarter profits of this $450m.-plus corporation by 36 per cent.

So Clive Sinclair's £6m. company has been a David among several extremely hungry Goliaths, all of them competing hard for a slice of an extremely attractive cake—and ready to attack each other brutally in the process.

Faith

The question is whether the private sector could have been expected to step in to support a small company in such a risky business, and which had just turned in a loss for the financial year (to April 30, 1976) of £355,000, more than matching its previous record profit level. Mr. Sinclair says he was prepared to postpone next year's launch of the two-inch TV—though he and the company have worked on it for years, believing it to be a potential money-spinner; the National Research Development Council has also shown faith in the next stage of his TV development, in the form of substantial financing.

To have postponed the TV, he claims, would have cut his cash requirements to an extra £100,000, but the company's bank was not prepared to extend the existing overdraft limit. Independently, he approached Charterhouse and Technical Development Capital (part of the ICFC group), and through Rothschilds he was put in touch with GEC and the National Enterprise Board. Charterhouse was an unlikely source for a company of his sort in its current state, since their policy is to invest only in companies which have consistently successful histories and profit records.

Mr. Sinclair felt the situation was too pressing to allow time for TDC to conduct the necessary investigation, and GEC rejected the idea of taking a stake after looking at the company. In any case, he says, he was attracted by the NEB, both on the grounds of capital availability and speed (though it took longer than he expected for the deal to be concluded). It must also be questionable whether GEC would have allowed him to retain as much independence, or to continue in the watch business.

It is not certain that Sinclair will want to produce a new range of watches, but he will have to secure more NEB support before he can do this. The attraction for the Board will be the possibility of making inroads into the overall U.K. watch market, which is astonishingly stable at about 10m. units a year; on the calculator side, the grounds for optimism about Sinclair's future are that the size of the market, and prices at its lower end, appear to be stabilising, suggesting that competition, too, may even out.

It remains to be seen whether the strategy will pay off. At least the NEB may be prepared to wait longer for a return on its investment than most financial sources in the private sector. It is this, rather than the fact that Sinclair itself was not snapped up by a City institution or industrial company, which is important to the debate about the provision of venture capital.

Letters to the Editor

[A] question of [c]onscience

[Fro]m Mr. K. Nash.

[Si]r,—With great respect to [Mr.] David Webster (November [...]) I prefer the General [Syno]d's resolution about the [close]d shop to his suggested [alter]native.

[W]e should bear in mind that [...] grounds of religious [prin]ciple are to be accepted in [...] as excusing an individual [from] joining the union. (I am [not] sure whether one may fairly [...]r that Mr. Webster regards [...] as satisfactory. Is not his [insi]stence on the "unfettered [righ]t" to join a trade union [rath]er revealing? Is not the [clos]ed shop argument more con[cern]ed with the right, if any, [not] to join the union?) But [it se]ems clear that the General [Syno]d had more than this nar[row] point in mind when it said [that] the closed shop raises [ques]tions of social policy and [indiv]idual conscience.

[Ma]y I suggest a possible ex[...]? No doubt the great [majo]rity of people in this [count]ry would agree with the [Gene]ral Synod about the essen[tial] role played by the trade [union]s in collective bargaining [with] employers; but probably a [...] many of them also strongly [belie]ve that the unions ought [to c]onfine themselves to this [...] and keep out of politics. [The] closed shop may well raise [a v]ery important issue of [prin]ciple for such people [...]ly because they are not pre[pared] to join a trade union [which] has political aims or [affil]iations or involvements. And [they] may well believe that in [this] context, this is as valid a [quest]ion of individual con[scien]ce as any other.

[K.] Nash.

[...W]est Avenue, Exeter.

[F]reedom of [ch]oice

[From] Mr. J. Cooper.

[Sir],—The system by which em[ploye]es are blackmailed into [sub]scribing to a union, by [threa]ts to disrupt their work and [inter]fere with their employer's [...], has now spread to the [adve]rtising agencies. Your re[port] (November 18) that agen[cies] feel the industry had better [stand] together rather than be [picke]d off singly, should inspire [...]s also.

[It] hardly seems credible that [the] law cannot deal with black[mail] of this kind, but if it can[not], those who are threatened [shou]ld join together in mutual [defe]nce. While there are al[read]y some groups willing to [oppo]se the enforced closed shop [the]y appear to have a common [disa]dvantage—they also wish to [pro]mote their objects which [ma]y not be generally acceptable [to] everyone involved. This is [me]rely the theme to start a cam[pai]gn with simple objective:— [th]at every employee should be [fr]ee to decide whether or not to [joi]n a union of his or her own [ch]oice. The objective is known [t]o be favoured by a majority of [t]he working population; it also [i]s in their interests of the [u]nions themselves, although some units are unable to understand it.

A determined campaign by a widely-based pressure group would stem these attacks on employees. Surely everyone who is threatened by this inability of one union outside their own world to force them into union membership by banning their work, should be fight against it now. Otherwise they could find themselves in a union they don't like and in the degrading position of carrying out "blacking" action against their colleagues.

John Cooper.

24, Tennyson Close, Woodbridge, Suffolk.

Japanese economy

From Mr. J. Kinsley.

Sir,—I have no intention of contesting the statistics regarding the Japanese economy contained in the letter by Mr. Griffen (November 22) which was in reply to my letter of November 17, but I am sure that he has missed the point.

He states that Japanese exports are only 15 per cent. of GNP, and even if that is correct it is of no interest to countries that are on the receiving end of the export thrust in particular sectors. Judging by frequent news items during the last few weeks the main interest is in the exports of the Japanese motor manufacturing, steel making, ship building and electronics industries, and in these I am sure, exports are a lot more than 15 per cent. of production. Restricted exports, due to the actions of other countries on any or all of the industries I have mentioned, would have a snowballing effect right through the Japanese economy as orders to suppliers to those industries are cut.

The fashion that started in America and spread to this country of judging the share price prospects of companies on their P/E ratios seems to be on the decline, and investors are again taking dividend yields more into account. I see that the Dow Jones Industrial dividend yield average is 4.35 per cent., and my calculation of the average yield on the shares given in your Tokyo table is 2.58 per cent. Are the prospects for Japanese share prices almost twice as bright as for American share prices?

J. Kinsley.

4, Martins Plain, Park Road, Stoke Pogis, Slough.

A great day?

From Mrs. S. Liddall.

Sir,—In the last paragraph of his Commentary (November 20), Mr. Watt writes that John Davies is "not so high-powered that he cannot be ditched" by Mr. Heath "when the great day dawns."

What is this "great day?" Edward Heath was the most disastrous Prime Minister this country has had since the war. His policies are indistinguishable from "moderate" Socialism. If moderate Socialism is what Mr. Watt is advocating then surely the present Prime Minister is likely to do the job better than a pseudo Socialist.

S. M. Liddall.

41, Swaffield Road, Sevenoaks, Kent.

Personnel and unions

From Messrs. F. Allen and R. Moores.

Sir,—It is with dismay we note that the Association of Scientific, Technical and Managerial Staffs have found it necessary to lodge a Section 11 claim (Employment Protection Act, 1975) for recognition on behalf of the headquarters staff of the Institute of Personnel Management.

The November edition of the Institute's "Digest" reports that nearly 50 per cent. of the headquarters staff are already members of the ASTMS. Is this action by ASTMS verification of what we have long suspected, namely that the institute is anti-trade union and antediluvian in its dealings with trade unions?

The present economic climate surely demands a coming together of those who manage and those who are managed. If the institute stance is not to recognise a bona-fide trade union, and this is the approach it advocates for its members, then it is of even less importance than the proverbial dodo in assisting the country to surmount its problems.

Frank Allen, Roger Moores,
Management and Training Advisers,
Management-Union Relations Department,
The Industrial Society.

Peter Runge House, 3, Carlton House Terrace, S.W.1.

More State, less heed

From Mr. R. Kisch.

Sir, — The haste with which important legislation is being rushed through the Parliamentary process provokes thought.

In the beginning of commerce there was a buyer and a seller. If the seller couldn't sell, then he reduced his prices, increased the quality of his offer or tempted the buyer to buy by making his offer better value. When a seller started up, inevitably another seller tried to grab part of the business, thus creating competition.

The most successful sellers became very large and powerful, and, being companies, were controlled by a small number of people representing shareholders, who financed development and received dividends on their investment as return on capital.

Socialist Governments, considering this unfair, compulsorily acquire controlling interests in such successful private enterprises by devious means, quite apart from straight takeover. In an endeavour to achieve a monolithic organisation, product choice is limited, customer requirements are largely ignored, and the monopoly situation means that the customer has no choice but to accept what is offered.

Hence the saying "More State, less heed."

R. Kisch.

"Villa Martinique," Chemin du Moulin, St. Ouen, Jersey, Channel Islands.

Tell the whole story

From Lord Brown.

Sir,—At last we seem to be waking up to a truth long ignored—that our main source of wealth lies in industry. At last the country is beginning to realise that we need far more of the best minds of the country managing industry. But industry will not get them as long as the mass media continues to create the false image of non-creative, conflict-ridden, rat-race.

Compare, for example, the BBC's police or hospital drama with its attempts at industrial drama. Compare the sycophantic interviews given to actors, singers, writers and the like to the debunking approach used on the rare occasions when managers appear on the screen.

Hundreds of exciting new factories are opened every year but all we read of is the latest strike (who would believe that last year 98 per cent. of industrial companies had no strike). Technical advances and new products emerge every week but they are not sought out as are every crime and every piece of new fiction. Could there not be a "Master Mind." of industry and technology?

I find growing agreement to the view that the Press has for years biased the facts against industry. How many bright young minds decide not to enter industry because of mass-media cynicism? How many millions of pounds worth of exports are lost because of what overseas firms learn of our industry through the Press.

Industry is in bad shape, but this situation is largely due to a century of disdainful treatment by those who lack experience of it and who have closed their eyes to their own ultimate dependence on its success.

Cannot the mass media, at this crucial time, examine its conscience over this matter. I am not suggesting that they desert objectivity in their reporting but rather that they gain it. Fairer comment could really help to raise the spirit of industry and now is the time for that.

Brown.

House of Lords.

Labour Party politics

From the General Secretary, The Labour Party.

Sir, — In reporting upon the re-election of chairmen of two of our committees (November 9) you say: "Mr. Chalmers, a respected trade unionist and defender of the Government's present economic policies, overcame a Left-wing threat to unseat him as chairman of the Organisation Committee." This is untrue. Mr. Chalmers was nominated for re-election as chairman and re-elected unanimously. If there was any threat to unseat him, it was certainly not evident at the meeting.

Ron Hayward.

Transport House, Smith Square, S.W.1.

Richard Evans writes: I accept there was no overt attempt at the Organisation Committee meeting to oust Mr. Chalmers from the chairmanship. The comment was based on information received before the meeting that a proposal to put up an alternative candidate was being considered.

Haigh's law

From Mr. M. Baggott.

Sir,—I was interested to read Mrs. Haigh's observations (November 22) relating to the preponderance of financial controllers to the lack of finance.

As a financial controller I am deeply disturbed that we have at last been found out, but it is surprising that this relationship has not been spotted before as it holds true for most professions, namely sales managers to lack of sales, production managers to lack of production, personnel managers to lack of personnel, civil servants to lack of service, Government Ministers to lack of government, *et seq.*

The "discovery" of this law could obviously have a most profound effect on our whole way of life.

M. A. W. Baggott.

Newlyn Cottage, The Rowans, Chalfont St. Peter, Bucks.

To-day's Events

GENERAL

The Queen will formally open a new session of Parliament at 11.30 a.m. Both Houses will then debate proposed legislation outlined in the Queen's Speech.

TUC General Council meets.

Trade union and management representatives at the Trustee Savings Banks meet Department of Employment officials on pay claim.

Glasgow busmen expected to call 24-hour strike over service cuts.

EEC two-day Economic and Social Committee Plenaries begin, Brussels.

Lord Watkinson, CBI president, speaks at its East Midlands annual lunch.

Sr Carlos Andrés Pérez, President of Venezuela, ends official visit to Britain.

Mr. Michael Heseltine, Opposition spokesman on environment, Sir Charles Villiers, chairman, British Steel Corporation, and Mr. Richard O'Brien, chairman, Manpower Services Commission, are among speakers at Industry 1977—Action for Growth Conference, Europa Hotel, W1, organised by Institution of Works Managers and Inbucon/AIC.

Sir Robin Gillett, Lord Mayor of London, attends Stationers' and Paper Makers' Company dinner, Stationers' Hall, EC4.

COMPANY RESULTS

Allied Irish Banks (half-year). House of Fraser (third quarter). Johnson Matthey and Company (half-year). Tesco Stores (Holdings) (half-year). Tunnel Holdings (half-year).

COMPANY MEETINGS

Barratt Developments, Edinburgh, 12. BPM, Birmingham, 12.30. Bogod-Pelepah, 52-54, High Holborn, WC12. Halstead (James), Whitefield, Manchester, 4.30. Pressac Sandiacre, Nottingham, 3.

OPERA

Royal Opera production of Troilus and Cressida, Covent Garden, WC2, 7.30 p.m.

English National Opera perform Der Rosenkavalier, Coliseum Theatre, WC2, 7 p.m.

MUSIC

BBC Symphony Orchestra, Singers and Choral Society, conductor Pierre Boulez, with John Shirley-Quirk (baritone), in programme of Boulez (Rituel: In memoriam Maderna); Debussy (Trios ballades de Francois Villon); and Ravel (Don Quichotte a Dulcinée; Ballet, Daphnis and Chloe), Royal Festival Hall, SE1, 8 p.m.

SPORT

Soccer: UEFA Cup, third round, first leg, QPR v FC Cologne. Anglo-Scottish Cup, semi-final, second leg, Orient v Partick. Boxing: Vernon Sollas v Arnold Taylor (South Africa), Anglo-American Sporting Club.

COMPANY NEWS + COMMENT

Powell Duffryn first-half profit up 52%

PRE-TAX PROFITS of Powell Duffryn jumped by 52 per cent. from £3,317,000 to £5,055,000 for the six months to September 30, 1976. Turnover was up by £11m. at £122m.

The interim dividend is raised to 2.75p (2.5p) net per 50p share. Last year's total was 7.094p from profits of £9.89m.

The directors state that the optimism expressed at the annual meeting concerning the current year still continues. However, because of the present national uncertainties they consider it unwise to attempt to forecast results over the all-important remaining months of the year.

	First half 1976 £000	1975 £000
Turnover	122,231	110,788
Trading profit:		
Engineering	2,097	1,234
Building loss	303	153
Pollution control	143	†66
Shipping, etc.	934	639
Oil, chem. store	787	557
Fuel distribution	225	526
Quarries	462	320
Timber, build. merchnts.	1,128	636
Interest	458	424
Pre-tax profit	5,055	3,317
Taxation	2,667	1,896
Minorities	17	5
Extraordinary credit	5	*277
Attributable	2,376	1,229

† Loss. * Debit.

The shipping and timber divisions had a better half-year, Sir Alec Ogilvie, the chairman, reports. Other divisions, in particular, engineering, produced considerably improved results compared with a year ago.

Understandably, in the prevailing seasonal and economic climate respectively, the fuel distribution and the building services contracting divisions had a difficult six months, the chairman says.

● comment

Powell Duffryn has made a complete first-half recovery with a 52 per cent. jump in pre-tax profits on a sales rise of a tenth. A first-time interim breakdown of divisional profits shows that shipping and timber have both made substantial recoveries from the setbacks of 1975-76, while engineering (up 70 per cent.) has produced an increase on the back of higher exports, which must now account for around half of that division's sales. The concentration on small bulk carriers has sheltered the shipping side from the worst downturns in that sector, while the 77 per cent. increase in trading profits from timber takes in some stock profits though, surprisingly, sales to the private sector are reported as good. A complete recovery to £12m. pre-tax for the year looks quite possible, despite a continued loss from building services and the possibility of a deterioration in orders for construction equipment in the U.K. The shares rose 2p to 109p compared with net assets last March of 200p a share, while the prospective yield of 11.3 per cent. is already covered by interim earnings.

HIGHLIGHTS

Comet Radiovision Services blames the increase in the rate of VAT on electrical goods last year for its profits fall of a third. Now that the rate has been decreased the group forecasts that this year's interim profits will beat the whole of last year's profits. The day was also enlivened by an agreed £6.7m. bid for **Head Wrightson** by **Davy International** which *disclosed more than doubled interim profits.* Lex also comments on the proxy battle at **Sime Darby.** Elsewhere, interim profits of **Associated Newspapers** were up strongly thanks to North Sea oil interests. **Hambros** announced a "significant" rise in its half time earnings, and **Powell Duffryn** made a good first half recovery with profits up by half. **Edgar Allen Balfour,** however, highlighted some of the problems in the engineering sector with its 46 per cent. *fall in interim profits, based on* a pathetic performance in the U.K.

Manbre & Garton

A meeting of the holders of the 7¼ per cent. convertible unsecured loan stock 1993-98 of Manbre and Garton held yesterday, has passed the extraordinary resolution concerning the proposal under which holders of the Manbre stock will receive the same consideration as they would have received under the Tate and Lyle offer, as increased, for the Ordinary stock of Manbre had their Manbre stock been converted into Ordinary units on the basis of the conversion currently applicable (71 Ordinary units for each £100 nominal of convertible stock).

Convertible holders of Manbre holding £1,402,271 nominal of the 7¼ per cent. loan stock have elected to take the stock and cash alternative. Accordingly, Tate and Lyle will issue £995,378 13 per cent. convertible loan stock 1993-1998.

The consideration for the acquisition of the Manbre stock will be despatched on December 10. However, dealings in the T and L stock will commence on November 23 for deferred settlement on December 14.

Rexmore well up at midway

CONVERTERS of textile and PVC products, etc., **Rexmore,** reports first half (to September 30, 1976) pre-tax profit up *from £543,243 to* £602,763, on a turnover of £16.42m. (£17.36m.). For the year to March 31, 1976 turnover was £38.17m. and profit £1.41m.

Turnover and pre-tax profit figures for six months to September 30, 1976 and 12 months *to March 31, 1976 include the* results of Unerman (Holdings). However, the figures for the past six months only include Unerman results up to September 8, the date that Rexmore lost effective control.

Turnover figures for six months *to September 30, 1976* do not include Newage Kitchens and subsidiaries which amounted to £1,745,194 for the corresponding period of 1975 and £3,720,634 for 12 months.

The overall results show an increase in pre-tax profits of *10.95 per cent.* as compared with the same period last year. If the Unerman contribution were to be excluded, pre-tax profits would have shown an improvement of about 40 per cent., it is stated.

Earnings per 25p share for the half year were 2.85p (2.43p equivalent). An unchanged interim dividend of 1.1025p net is declared. Last year's total was 3.6025p.

	Six months 1976 £	1975 £
Group turnover	16,422,244	17,361,090
Pre-tax profit	602,763	543,243
Taxation	313,438	282,486
Minorities	43,906	51,477
Net balance	245,421	209,280
Dividends*	76,781	71,479

* After waivers by certain directors.

● comment

Although Rexmore's true first-half *performance is obscured by the* deconsolidation of Unerman Holdings and Newage Kitchens, the group at last appears to be moving the right way in both sales and profits. However, this recovery has little to do with any improvement in demand. It stems instead from the increased efficiency which the group has achieved by carrying out a *substantial re-structuring operation.* The improved profits trend is expected to continue in the second half for a full-year tax level of £1.4m. On the face of it that is roughly unchanged but in real terms, stripping out the de-consolidated companies, this means *growth from £0.6m. to around* £1m. Further immediate growth is doubtful with demand from the furniture industry, the group's main customer, still fairly static. So, the shares at 39p, where the prospective yield is 16 per cent. are probably up against their *ceiling for the moment.*

Ultra ahead to £0.52m. so far

TURNOVER for the six months to October 1, 1976 of **Ultra Electronic Holdings** expanded *from £3.61m.* to £6.13m. and pre-tax profits advanced from £320,098 to £524,064, after interest of £53,148 against £26,806.

The directors expect that, as usual, second half figures will be markedly better. For the year to *March 31, 1976 turnover* was £11.34m. and profits were £903,320.

After tax of £281,000 compared with £166,450, first half earnings are shown to be up from 3.8p to *6.1p* per 25p share. The directors have decided to pay an interim dividend of 0.8125p net. Last *year's single final payment was* 1.625p.

● comment

Loss elimination is continuing at **Ultra Electronic:** *this time it is* the turn of the overseas subsidiaries, where losses have either been reduced or turned to profit. This, coupled with an increase in U.K. exports of components to the U.S., France and Sweden, has led to a 64 per cent. improvement at the pre-tax level in the first half. On a normal 40:60 spread between the two halves, this would suggest *final profits of around £1.3m.* Order books are being maintained at the levels of the year-end and the recovery in components (which brought in a third of last year's profits) is continuing. With some 30 per cent. of turnover linked to U.K. defence projects *which must be vulnerable to* Government spending cuts, future growth prospects must be slightly clouded, but in the meantime, the maximum possible dividend for this year would yield 5.7 per cent. at 49p and it is already covered 3¼ times by interim earnings.

Hambros midway expansion

months to September 30, 1976, of **Hambros** show a significant increase above those for the corresponding period of the previous *year the directors state.*

Merchant banking operations contributed to this improvement and Hambro Life Assurance in its half-yearly statement re-affirmed the profit forecast for 1976 given in its July prospectus which will result in substantially improved earnings to Hambros.

The directors expect the overall trend of improved earnings to *continue during the second half.*

Interim dividends of 28.5p (25.75p) on the £10 shares (£2.50 paid) of 2.85p (2.575p) on the fully paid 25p shares and of 2.1p (same) on the £1 "A" shares are declared. It is expected, in the absence of unforeseen circumstances, that the full permitted increase of 10 per cent. will be applied for the year. Totals for the year to March 31, 1976 were 77.5p, 7.75p and 4.2p respectively from profits of *£5.44m. after extraordinary items.*

● comment

The half-year indication from Hambros is very hopeful, in marked contrast to that of Hill Samuel a fortnight ago. The rising profits of Hambro Life are *obviously an important factor* but the other areas have generally been recovering. The banking *side should go on to produce* better second-half results because unlike some merchant banks it benefits from the high level of interest rates; but it is hard to see what the corporate finance side will find to do since the rights issue market is now dead and even the supply of troubled financial conglomerates in need of re-organisation si drying up. *Meanwhile, time is ticking by for* the three-year guarantee of interest payments on the shipping loans, and the tanker market is showing little sign of revival. The shares have fallen *much further* than the market generally and at 112p are half the high for the *year. The historic yield of 10.9* per cent. compares with an average 8.2 per cent. for the merchant banking sector.

Recovery at Transparent Paper

ON TURNOVER ahead from £6.86m. to £9.85m., *earnings* of **Transparent Paper** recovered from £12,000 to £608,000 for the half year to October 2, 1976, *subject* to deferred tax of £316,000 compared with £174,000.

Pre-tax earnings for the year to *March 1976* were £430,000 against a record £1.2m. for *1974-75.*

First half earnings are shown at 5.27p per 25p share and the interim dividend is lifted from 1.26p to 1.66p net. Last year's total was 4.02p.

● comment

Transparent Paper's volume recovery which began in the second half of last year has continued in the first six months of 1976-77, lifting sales by 43 per cent. and putting profits on course for a return to the £1.2m. pre-tax peak *achieved in 1974-75.* Following recent capacity expansion—over the last three years the group has spent £3½m. on capital investment—TP has been able to increase its share of the food wrappings market. However, within the U.K. this appears to be a static market at present and it is difficult to see where the group will find its growth potential beyond the current year. For the moment at least that appears to place a block against the shares, which at 47p are yielding a prospective 15 per cent. covered more than twice.

Crellon interim cut to 0.6p

SALES FOR the six months to October 31, 1976, of electrical, electronic, and plumbing product distributors, **Crellon Holdings** expanded from £7.9m. to £10.02m., but after higher interest charges *of £186,000 compared with £156,000,* pre-tax profits fell from £172,000 to £148,000.

First-half stated earnings dropped from 2p to 1.5p per 10p share and, considering it prudent at this stage to increase the level of retained earnings and to *increase the dividend when profit*ability improves, the directors are cutting the interim payment from 1.005p to 0.6p net. *Last year's* total was 1.505p after profits of £188,000.

Members are told that the figures reflect the effect of *marketing re-organisations and* the costs of branch closures in the electrical division totalling some £54,000. In spite of these write offs the electrical division has contributed to group profits.

While the Board is not yet satisfied with the level of profitability the re-organisations are substantially complete and combined with further cost savings known to commence *in the second half* better results can be expected in the future.

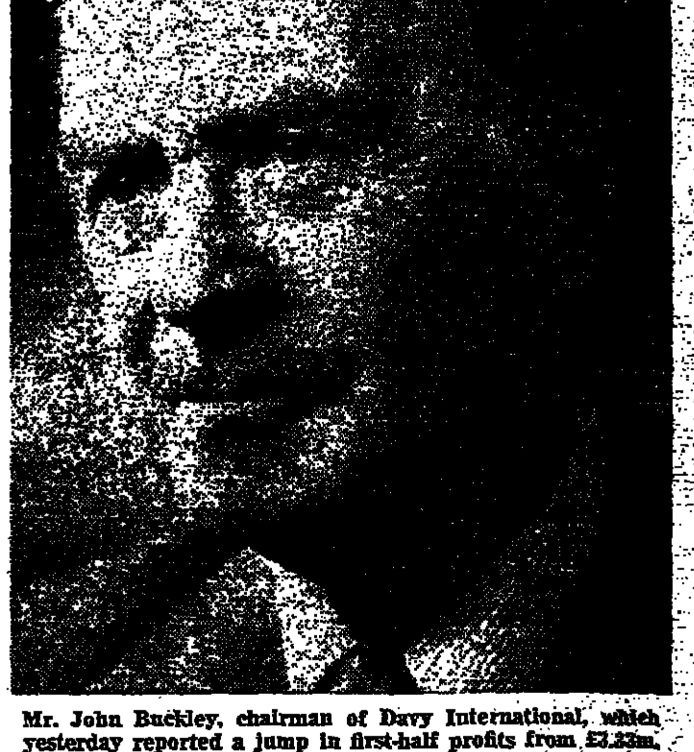
	Six months 1976 £000	1975 £000	Year 1975-76 £000
Sales*	10,022	7,897	17,323
Trading profit*	334	328	504
Interest	186	156	316
Profit before tax	148	172	188
Tax	71	96	40
Net profit	77	76	148
Extra-ordinary loss	—	—	25
Leaving	77	76	123
Dividend	31	49	73
Retained	46	27	30

* Results of GDS (Sales) included from October 1, 1975.

Midway rise at Evans of Leeds

Profit before tax of property investment and development holding company **Evans of Leeds** increased from £275,198 to *£309,497 for the half-year* to September 30, 1976.

The interim dividend is unchanged at 0.525p net per 25p share. The total last year was 2.1114866p from pre-tax profits of £727,159.



Mr. John Buckley, chairman of Davy International, which yesterday reported a jump in first-half profits from £3.33m. to £7.3m.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Edgar Allen, Balfour	int.	1.2	Jan. 31	1.2	—(d)	3.94
Asprey		7	Jan. 14	7	12	12
Associated Newspapers	int.	1.63	Feb. 4	1.49	—	4.69
Atlanta Baltimore Trust		0.25	Jan. 10	0.15	0.25	0.15
Bank of Ireland	int.	4†	Dec. 21	4	—	12.8
Braby Leslie	int.	1.75†	Jan. 14	1.25	—(a)	3.08
Cardiff Malting		1.24	—	1.25	2.14	1.95
Comet Radiovision		1.85	Feb. 11	1.56	3.15	2.86
Crellon Holdings	int.	0.6	—	1.01	—	1.51
Davy Intl.	int.	3.25	April 1	2.1	—(c)	6.19
Evans of Leeds	int.	0.53	Jan. 7	0.53	—	2.11
Hambros	int.	28.5(e)	Jan. 11	25.75	—	77.5
Hambros	int.	2.85(f)	Jan. 11	2.58	—	7.75
Hambros	int.	2.1(g)	Jan. 11	2.1	—	4.2
Leigh Interests	int.	0.46	—	0.42	—	0.89
Thomas Locker (Hldgs.)	int.	0.2	Jan. 4	0.18	—	0.71
Rotaprint	int.	1.02	Jan. 10	1.02	—	2.52
Kwik-Fit	int.	0.63†	Dec. 21	0.5	—	1.25
Melville Dundas & Whitson	int.	1.32	Jan. 6	1.2	—	2.33
Powell Duffryn	int.	2.75	Jan. 14	2.5	—	7.09
Rexmore	int.	1.1	Jan. 11	1.1	—	3.6
Sketchley	int.	1.35	Jan. 4	1.1	—	3.32
Transparent Paper	int.	1.66	—	1.26	—	4.02
Ultra Electronic	int.	0.81	Jan. 7	nil	—	1.63
Williams Hudson		Nil	—	0.1	nil	0.1

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Total of 4.5p forecast. (b) Increased to reduce disparity with final. (c) Permission received for gross total of 15p (9.528p) conditional on merger (see Bids and Deals) becoming effective. (d) Final of 3.18p is forecast. (e) On £10 shares (£2.50 paid). (f) On 25p shares. (g) On £1 "A" shares.

Asprey steady at £1.48m.

PROFITS before tax of **Asprey** and Co., at £1,481,958 for the year ended March 31, 1976, are little changed from the £1,465,916 of the previous year. Turnover amounted to £12.05m., against £13.14m.

From the results to date, the *directors say they have every* confidence that the current year will prove successful.

Earnings per 25p share in 1975-76 are 257.84p (193.86p). The final dividend is again 7p maintaining the total at 12p.

Tax charge is £587,657 *(£723,956) leaving net profit at* £894,301 compared with £761,960.

Problems delay Rakusen accounts

The **Rakusen Group** is proposing to delay its accounts because of the continuing difficulties created by "local authoritiy's road schemes surrounding the Meanwood Road factory and the effect of the additional running costs on the food division margins, *mentioned in the last annual report* and the 1975-76 interim statement.

To resolve this matter the Board took legal advice which results in the serving of a purchase notice on the local authority. The matter is now in the hands of the Secretary of State for the Environment.

This production unit and the relevant *operating* costs represent respectively a major part of the group's fixed assets and a *material* part of the food division's revenue expenditure.

In these circumstances the directors feel that to present accounts at this stage would not be meaningful and it is proposed to delay them until after a decision by the *Secretary of State.*

At the AGM on December 30 it will be proposed that the meeting be adjourned until the accounts are available. As soon as the Secretary of State's decision is available, holders will be informed and accounts for the year to June 30, 1976 will be circulated shortly thereafter.

Cardiff Malting

After being some £4,000 up at £44,100 in the first half, **Cardiff Malting Co.** finished the year to September 30, 1976, with profits of £57,894 compared with £82,061 subject to tax of £30,761 (£43,844). Turnover was £519,235 against £513,379.

Earnings per 20p share are 3.8p (5.4p). The final dividend is 1.24p raising the total from 1.95p to 2.14p.

N. Sea oil boosts Assoc. Newspapers

DUE LARGELY to improved results from North Sea oil, pre-tax earnings of **Associated Newspapers Group** *for the half year* ended September 30, 1976, expanded from £3.76m. to £6.17m., on turnover up from £47.36m to £60.59m.

The interim dividend is stepped up from 1.485p to 1.635p net per 25p share. Last year's total was 4.685p from profits of £8.45m.

The directors state that the deterioration in the U.K. economy could depress earnings in the second half.

	Half-year 1976 £000	1975 £000	Year 1975-76 £000
Turnover	60,593	47,356	102,327
Earngs. from trdg.	4,418	2,534	5,878
Share associates	855	673	1,334
Investment income	895	862	1,349
Earnings before tax	6,168	3,759	8,451
Taxation	3,454	2,018	4,806
Net earnings	2,714	1,741	3,645
Extraord. debits*	—	—	590
Minorities	53	30	77
Attributable	2,661	1,711	3,060
Dividends	496	431	1,434

* As in previous years, Extraordinary items will be dealt with in the accounts for the year.

● comment

Associated Newspapers is nearly two-thirds ahead pre-tax thanks almost solely to its North Sea oil operations which *started* to contribute to the profit and loss account towards the end of last *year. The newspaper activities in* London cannot be having an easy time (the Evening News is, *presumably, still losing money)* and the general outlook against a background of rising costs, notably newsprint, and weak advertising revenue *is* not inspiring. But the oil background is healthy; and overall this year AN's earnings per share should top 16p—against 103p, down 2p in the market yesterday. The prospective yield is a well covered 7½ per cent.) and *there is still plenty of cash in the* balance sheet.

part of business, he expected the home market to continue in a state of recession. However, the company was continuing efforts to increase exports.

In spite of difficult economic *conditions,* the chairman was hopeful that the company should see some further improvement in current year results and, as last year expected that this would be seen in the second half.

Brit. Assets overseas holdings

Almost 65 per cent. of the funds of British Assets Trust at September 30, 1976, were invested overseas, and of the 45 per cent. in the U.K. much was in companies with large overseas interests.

The directors believe that such a distribution will support the company's policy of growth in income and steady, but appreciating, capital value, says Mr. Alastair Blair, the chairman.

Success in such policy will, the directors hope, tend to reduce the *over-wide discount* between the share price and the underlying asset value per share, he adds.

As reported on October 29 total income increased from £4.02m. to £4.67m. in the past year.

Total assets were £86.24m. (£68.61m.), and Ordinary holders' funds £57.39m. (£49.94m.). Income per share was 1.81p (1.5p), dividend 1.6p (1.4p) and equity assets 66.88p (49.76p).

Stothert & Pitt confident

At the annual meeting of **Stothert and Pitt,** the chairman, referring to problems regarding the erection of cranes in the port of Damman due to the deficiency of sites, said the position had now improved and site erection was now proceeding at a somewhat *better rate.*

On the construction equipment

Leigh Interests

Pre-tax profit for **Leigh Interests** at £212,000 (£210,000) for the six months to September 30, 1976 before tax of £114,000 (£113,0[..]). Sales rose from £5.48m. to £6.[..]

The interim dividend is increased by the maximum permitted to 0.464525p (0.422296p) per 5p share. Last year's total was 0.896822p from a pre-tax profit of £503,902.

The Board states that, because of current economic conditions in the builders merchanting and quarrying industries, a substantial reserve has been provided against possible bad debts.

ISSUE NEWS

Yearlings–14% again

The coupon rate on this week's batch of local authority yearling bonds is again 14 per cent. The bonds are due on November 30, *1977 and are issued at par.*

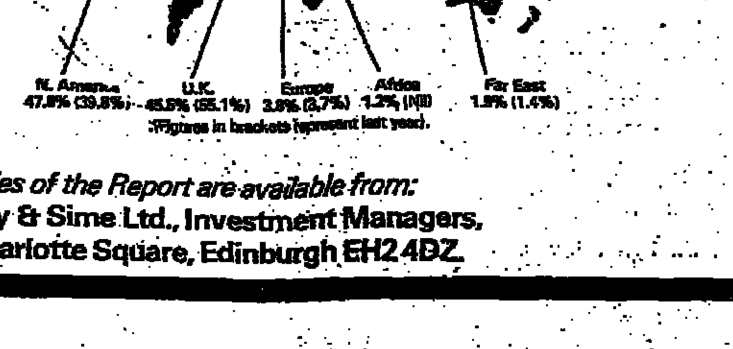
This week's issues are: Borough of Ellesmere Port and Neston (£½m.), City of Sheffield (£3m.), City of Glasgow District Council (£1m.), Metropolitan Borough of Sandwell (£½m.), Lothian Regional Council (£½m.), Metropolitan *Borough of Calderdale* (£½m.), Clydesbank District Council (£½m.), Borough of Wolverhampton (£½m.), Dumfries and Galloway Regional Council (£½m.), Arun District Council (£½m.), Borough Council of Gateshead (£1m.), Borough of South Tyneside (£½m.), Strathclyde Regional Council (£1m.), London Borough of Wandsworth (£½m.), West Yorkshire Metropolitan County Council (£½m.), Cambridgeshire County Council (£½m.), Crewe and Nantwich Borough Council (£½m.), Nithsdale District Council (£½m.), *Northavon District Coun*cil (£½m.), Tameside Metropolitan Borough Council (£½m.), Wimborne District Council (£½m.), Wirral Borough Council (£1½m.), Huntingdon District Council (£½m.), Kirklees Metropolitan Borough Council (£½m.).

ESSEX WATER SUCCESS

The offer for sale by tender of £4m. of Essex Water Company 9 per cent. Redeemable Pr[ef]ence stock 1982 closed with a[ppli]cations for £9,851,490 of stock.

The lowest tender price to receive partial allotment was £94.51 against a minimum tender price of £94 while the average price was £94.898.

Dealings in the stock will start to-day. Brokers to the issue are Seymour Pierce and Company.



صكرا من الاصل

Davy Intl. ahead by £4m. after six months

THE PROMISE of continued progress by Davy International is being fulfilled. In the six months ended September 30, 1976 profits jumped from £3.33m. to £7.3m. The directors say that in an engineering contracting business, short-term results can never be fully indicative of the year as a whole, even so there are good grounds for feeling confident about the future.

The overall order intake has been satisfactory although trading conditions remain difficult in certain sections of the business. The strong liquid position shown in last year's accounts has been well maintained, they add.

Profits for the year to March, 1976 reached a record £10.41m.

Conditional on the agreed merger with Head Wrightson and Co. becoming effective, Davy has received Treasury permission to forecast total gross dividends for the year to March, 1977 of 15p per share. This compares with 9.828p per share paid for 1975-76.

The interim dividend is 3.25p net per 25p share (2.1p) absorbing £941,000 (£608,000). Shareholders of Head Wrightson will not be entitled to the interim payment.

	Six months £000 1976	£000 1975	Year £000 1975-76
Turnover	68,331	38,843	204,024
Increase in work-in-progress	111,173	100,984	102,147
Value of work done	179,504	139,827	306,171
Profit before tax	7,295	3,333	10,405
Taxation	3,793	1,733	5,310
Net profit	3,502	1,600	5,095

See Lex

Kwik-Fit 70% ahead at halfway

AN INCREASE in pre-tax profit of 70 per cent., from £133,000 to £227,000, is reported by Kwik-Fit (Tyres and Exhausts) Holdings for the six months to August 31, 1976. Turnover was up from £2.67m. to £3.53m.

Stated earnings are 2.41p per 5p share against 1.68p, or 2.73p after last year's extraordinary tax credit. The interim dividend is lifted from 0.5p to 0.625p net per share, on capital increased by rights issue. The dividend absorbs £31,210 against £19,975. Last year's total was 1.25p from profits of £339,715.

	Half year 1976 £000	1975 £000
Total turnover	3,525	2,868
Kwik-Fit	1,729	1,281
Van Rooy Dorsman	132	73
J. C. Baker	259	232
Trading profit	290	184
Kwik-Fit	154	112
Van Rooy Dorsman	132	112
J. C. Baker	4	1
Interest	63	51
Profit before tax	227	133
Rights issue expenses	11	—
Taxation	115	66
Extraord. tax credit	—	42
Net profit	101	109

Sales of tyres and exhausts were extremely good during the summer months and the retail division Kwik-Fit has again shown satisfactory results, says Mr. Alec Stenson, chairman.

While the search for new sites continues, it is considered prudent, because of increasing operational costs, to have a short period of consolidation until those depots recently opened are in profit.

The Dutch subsidiary, Dorsman, has had a substantial improvement and present signs are that this will continue.

J. C. Baker showed a small progress compared with last year, and as sales of bottled gas and appliances are seasonal, it is hoped that this increase will continue during the winter months.

The proceeds of the August Rights issue are being used to reduce borrowings.

Thomas Locker expands

SALES OF Thomas Locker (Holdings), screening and filtration engineers, for the six months to September 30, 1976, expanded from £5.95m. to £7.27m., and pre-tax profit increased from £687,000 to £875,000.

The directors state that order books are standing at a reasonable level and it is anticipated that the profit for the second half should show an improvement over the first.

The interim dividend is stepped up from 0.175p to 0.2p net per 5p share. The total last year was 0.705p from profits of £1.5m.

	Six months 1976 £000	1975 £000
Group sales	7,273	5,945
Trading profit	763	614
Share associated	112	73
Profit before tax	875	687
Taxation	474	363
Net profit	401	324
Minorities	14	25
Available	387	299
Dividends	80	70
Retained	307	229

Rotaprint ahead at halftime

Sales of Rotaprint advanced from £3.99m. to £4.93m. in the half year to October 3, 1976 and, after interest of £97,000 against £83,000, profits increased from £57,000 to £64,000 subject to tax of £33,000 (£30,000).

The directors state that prospects for export sales indicate that the upward trend should be maintained, but there are signs of a pause in the recovery of demand in the U.K. market which commenced at the beginning of 1976.

The interim dividend is held at 1.0186p net per 20p share. Last year's total was 2.6166p paid from pre-tax profits of £481,000.

Braby Leslie growth

TURNOVER OF mechanical and civil engineers, Braby Leslie, increased from £10.34m. to £10.76m. in the half year to September 30, 1976, and pre-tax profit advanced from £676,000 to £808,000. The figure for the year to March 31, 1976, was £1.5m.

In current conditions it would not be prudent to forecast the future, the directors state, but given reasonable stability they remain confident in the continuing prosperity of the group.

The interim dividend, on capital increased by the July rights issue, is lifted from 1.25p to 1.75p net, compared with a forecast of 1.5p. However, the directors are keeping to their forecast of a total of 4.5p (3.0866p) for the year.

Fully diluted earnings per 10p share for the six months were 8p (8.05p). Net tangible assets per share, fully diluted increased from 55.5p to 66.3p.

	Half-year 1976 £000	1975 £000
Turnover	10,757	10,340
Interest charges	82	111
Pre-tax profit	808	676
Taxation	301	189
Extra-ordinary credits	—	22
Attributable	507	529

House of Fraser

Mr. Edward Carter, chairman of U.S. retailing group Carter Hawley Hale, said yesterday that in the long term he hoped it would be possible to increase, rather than decrease, his company's 20.5 per cent. stake in House of Fraser. Mr. Carter, a director of House of Fraser, is in London to attend to-day's Board meeting called to approve that company's third quarter results.

Mr. Carter has recently gone on record in New York as saying that he regretted the investment in House of Fraser. However, he qualified this yesterday by saying that this was only in relation to what had subsequently happened in the U.K. as regards the economy and the level of sterling. He made it clear that his associations with House of Fraser, whose chairman is Sir Hugh Fraser, had been good and that he was satisfied with the management of House of Fraser under Sir Hugh. He further stated that Sir Hugh had also proved "very satisfactory" as a director of Carter Hawley.

Sketchley tops £1m. at midway

ON SALES 18 per cent. higher at £13.68m., Sketchley lifted pre-tax profits from £0.94m. to £1.07m. for the half year to September 30, 1976 and the directors expect an improved result for the full year provided there is no further deterioration in the U.K. economy. Profits for the year to March 1976 were a record £1.96m.

First half earnings are shown at 3.7p (3.4p) per 25p share. To reduce disparity the interim dividend is raised from 1.1p to 1.35p net. Last year's final payment was 2.71716p.

	1976 £000	1975 £000
	Half-year	
Sales	13,682	11,616
Trading profit*	1,170	1,050
Debenture interest	44	46
Other interest	59	62
Profit before tax	1,067	942
Tax	596	509
Net profit	471	433
Extraordinary debits†	145	69
Attributable	326	364
Preference dividend	3	3
Ordinary dividend	169	137

*After depreciation £553,000 (£480,000). † Includes goodwill written off on acquisitions during period £83,000 and unrealised differences on exchange rates £44,000.

The cleaning division produced advances in sales and profits despite the hot, dry summer and the overall service division also had a good half-year and is heading for another year of increased sales and profits say the directors. Due to reorganisation losses were incurred in the textile division but these were contained below the expected level and there is every confidence that the second half will be profitable.

● comment

Sketchley's interim profit, showing an 11 per cent. increase at the trading level, is as expected. A protracted hot spell, like that of last summer, is always bad news for dry cleaners but, despite a drop in volume, profits advanced partly due to the first-time inclusion of Quality Cleaners. The workwear rental division put up the most encouraging performance, with an increase in volume of a tenth, but the textile side turned down into a loss following the 58 per cent. profits drop to £97,000 in 1975-76. A cutback here has put the dying and finishing division (operating for the jersey knit industry) on a profitable basis and the second half is expected to make good the first-half setback. So, providing very cold or wet weather conditions do not hit winter cleaning, Sketchley should be capable of pushing pre-tax profits over £2½m. this year, indicating a prospective p/e of under 6 at 52p, backed up by a yield of 12.8 per cent. The rating is not unattractive despite fears that 1977-78 could be tougher in the face of lower consumer spending.

£1m. loss by Williams Hudson

AFTER AN increased loss of £897,000, against £432,000, for the first half, Wiliams Hudson Group finsihed the year to March 31, 1976 with a pre-tax deficit of £999,067 compared with profits of £413,630.

Before minorities and realised movements in net book worth the loss per 20p share is shown at 7.3p (earnings 1.2p) and there is no dividend (0.1p net).

Since year end the group has concluded conditional agreements for the disposal of its shipping fleet which will result in an overall pre-tax profit of some £2.1m. and a reduction in indebtedness of about £30m.

	1975-76 £	1974-75 £
Turnover	81,514,360	120,746,855
Pre-tax loss	999,067	*413,630
Tax credit	165,868	†328,886
Net loss‡	833,199	*84,744

* Profit. † Charge. ‡ Before minorities and realised movements in net book worth.

Williams Hudson Limited reports turnover of £74.71m. (£110.15m.) for the year and profits of £1,856,956 (£3,362,663) before tax of £964,275 (£770,762).

The profit after minorities came to £916,663 (£2,619,559). After surpluses on revaluation of £319,125 (£1,376,935) the distributable profit was £1,235,788 (£3,996,494) and £571,613 (£3,672,319) was retained.

Unrealised movement in net book worth gave a credit of £63,225 (debit £1,290,518) bringing the total income in net book worth to reserves to £634,838 (£2,381,801).

The group's interests include transport and warehousing, fuel distribution, shipping and land and property development, etc.

Comet Radiovision dips £0.8m. but sees recovery

There was a sharp fall in the profit, before tax, of Comet Radiovision Services from £2,259,000 to £1,474,000 for the year ended August 28, 1976. Taxation and heavy extraordinary debits left the group showing a loss of £199,000 against a profit of £1,296,000.

But Mr. M. J. Hollingbery, the chairman, comments that the company's expected improvement in trade has taken place. Unit sales per outlet are at a substantially increased level and this increase, coupled to a rise in margins, has resulted in improved profitability. In the absence of unforeseen circumstances he expects to announce half year profits in excess of the whole of the previous record year of 1975 when profit was £2,269,000.

Following the cut to 12½ per cent. in VAT on certain goods the level of trade increased appreciably.

The 12 months between April 1975 and May this year, when VAT on most of the company's products was at 25 per cent., was probably the most difficult period experienced in the electrical retail trade since the war, says Mr. Hollingbery.

The final dividend is raised to 1.846p (1.56p) net per 5p share making the total for the year 3.146p. There are waivers on 39.7 per cent. of shares. Last year the total was 2.86p.

Earnings per share, calculated before the extraordinary items (which included a £759,000 goodwill write-off, £49,000 in directors' termination payments at a subsidiary, £33,000 loss on a property sale, and £36,000 special depreciation) declined 3p to 5.5p.

	1976 £000	1975 £000
Group turnover	47,401	43,767
Pre-tax profit	1,471	2,259
Taxation	796	1,204
Extraord. items	*877	241
Leaving	†199	1,296
Fixed assets	4,535	3,691
Net current assets	1,320	3,392

† Loss. * Debit.

During the year Comet used its high liquid cash position to acquire McOnomy and Eclipse Radio and Television Services. The initial loss situation at time of takeover of McOnomy has been reversed since the start of the current year. Goodwill resulting from this acquisition has been written off against reserves.

At Eclipse, profitable since takeover, there has been a substantial improvement in both turnover and margins.

The directors are pleased with the results being achieved at the new satellite shops of which 28 have been opened since August last year. There are definite plans for eight more, bringing the total to 55.

See Lex

Lighting and Leisure well placed

THE INHERENT strength of Lighting and Leisure Industries, with its two separate and distinct divisions, ensures that when economic conditions improve it will be well placed to benefit, Mr. Norman H. Davis, the chairman, says in his annual statement.

Although the lighting division, where demand is increasing, will continue to be a growth industry, the group is now more leisure-orientated than ever before, he adds.

As reported on October 28, pre-tax profit rose from £723,900 to a record £910,642 for the year to July 31, 1976. With no final in the previous year the dividend total is 2p, against 2.3p net in 1975, and following the one-for-one rights issue last November a one-for-four scrip issue is now proposed.

This first step towards obtaining authorised investment status under the Trustee Act, 1961, will increase the share capital from £821,918 to £1,027,398.

With dividends at present restricted to a 10 per cent. increase, and in the absence of any relaxation, the maximum amount of next year's dividend is already fixed at 1.76p per share on the proposed enlarged capital.

To achieve authorised investment status requires an issued share capital of £1m. and the payment of dividends for the previous five years on all the issued share capital.

While the company has paid a dividend in each year since its public flotation, it has not paid this on all its issued share capital as the directors have on several occasions waived their entitlement.

"It is rather ironic that such self-denial should hinder rather than assist the company in achieving investment recognition." they tell members.

Net tangible assets per share at the year-end were 35.49p, compared with a current market price of 31p.

The lighting division manufactures and distributes domestic light fittings, while the leisure division manufactures, imports and distributes camping and sports equipment, associated protective and leisureware products and outdoor leisure furniture.

During the year the leisure division, by powering profits forward, has consolidated the group's position as the largest U.K. garden furniture manufacturer, Mr. Davis says.

The lighting industry had an indifferent season and this general lack of demand affected the lighting division, which failed to achieve the growth rate expected while improving profits in difficult trading conditions.

A geographical analysis of turnover and pre-tax profit in the year shows: U.K. £9,744,442 and £841,106; overseas £618,331 and £69,536.

Meeting, Cutlers' Hall, E.C., on December 14 at noon.

Policy at Berry Trust

The directors of Berry Trust Company are continuing the policy of investing a high proportion of the company's assets abroad, says Mr. Raymond Berry, the chairman.

As reported on November 18, pre-tax profits fell from £172,901 to £151,099 for the year to August 31, 1976. The dividend is held at 0.625p net.

Steps have been taken to mitigate the gearing effect of the company's currency loans. One loan to the value of $1.1m. has been paid off, but due to the decline in the pound the sterling value of the remaining loans has sharply increased. By committing a greater amount to the gilt-edged market as a counterbalance to the loans, however, a more conservative position has been achieved, and will be maintained.

Meeting, 16, Finsbury Circus, E.C., on December 17 at noon.

MINDUSTRIAL

Mindustrial Corporation, Guthrie Corporation's Canadian subsidiary, reports sales for the nine months to September 30, 1976 of $C37.57m. against $C26.34m., consolidated earnings after tax and minorities of $872,000 against $176,000, and earnings per share of 71 cents (17 cents).

Edgar Allen Balfour looks to second half

ON EXTERNAL sales little changed at £26.09m., group pre-tax profit of Edgar Allan Balfour decreased from £1.58m. to £0.83m. for the half year to October 2, 1976, including currency gains of £0.31m. (£0.12m.). For the year to March 27, 1976 sales were £51.87m. and profit was £3.34m. which included currency gains of £0.33m.

The poor trading results for the half year are a temporary setback, the directors state.

The disappointing results arise because of depressed trading conditions in the U.K. and more particularly because of major problems in the magnets and engineers' cutting tools operations of the group, which incurred losses totalling £0.62m. in the half year.

The directors believe that corrective action taken in the loss making areas and an increase in the U.K. order book during the last six months will result in significantly higher profits in the second half, provided there are no serious industrial relations problems arising from the closure of Capital Tool works.

Orders on hand in the U.K. subsidiaries at October 30, 1976 totalled £20.5m., compared with £18.6m. six months ago, comprising engineering, including tools £10.77m. (£9.91m.) and steel, foundry and forging £9.68m. (£8.73m.).

Earnings per 25p share for the half year decreased from 4.8p to 2.9p. An unchanged interim dividend of 1.2p net is declared, and a final of 3.18p is forecast. Last year's total was 3.9364p—earnings 10.1p.

	Six months 1976 £000	1975 £000	Year 1975-76 £000
External sales	26,092	26,103	51,866
Operating profit	1,055	2,004	4,106
Interest charges	650	623	1,224
Share associates	118	35	135
Group profit	523	1,416	3,017
Currency gains	305	115	327
Profit before tax	828	1,531	3,344
Taxation	238	781	1,688
Minorities	14	31	23
Preference divs.	8	8	16
Attributable Ord.	568	711	1,617
Extra-ord. debits	12	*43	*165
Ordinary dividends	237	178	719
Balance	319	576	1,063

* Credits.

An analysis of external turnover and profit before currency gains shows Edgar Allen £16.35m. (£15.53m.) and £0.54m. (£1.41m.); Balfour Darwins £9.74m. (£10.57m.) and loss £21,000 (profit £5,000).

Edgar Allen's U.K. turnover was £18.28m. (£16.51m.) — engineering including tools £7.12m. (£7.2m.) and profit £48,000 (£0.57m.); steel foundry and forging £11.16m. (£9.31m.) and profit £0.71m. (£0.94m.).

U.K. turnover of Balfour Darwins was £3.66m. (£6.72m.), and there was a loss of £0.39m. (£0.29m.). Its overseas subsidiaries' turnover was £6.84m. (£5.16m.) and profit £0.28m. (£9.26m.).

Balfour Darwins steel division has been integrated with Edgar Allen Balfour Steels since the beginning of the financial year and the results for the six months to October 2, 1976, are included in the Edgar Allen Group.

The original Edgar Allen subsidiaries suffered from a low level of activity in all sectors, particularly in engineers' cutting tools, which incurred losses of £0.19m. in the half year.

Corrective reorganisation of Edgar Allen Tools is being implemented. The rotating tool factory of Edgar Allen Tools at Openshaw is to become a separate company with new management and significantly reduced overheads. The new company is to be named Easicut Tools, while the engineers' cutting tools and tungsten carbide tool factories in Sheffield will continue to operate as Edgar Allen Tools but as a much slimmer and more profitable operation.

Corrective action has been taken at Balfour Darwin's tool division and Balfour Darwins Magnets. Their losses for the half year were approximately £0.3m. and £0.13m. respectively.

At October 2, 1976 net current assets totalled £19.72m. of which £14.73m. was employed in the U.K. and £4.99m. overseas. Fixed assets were £15.59m.—U.K. £14.02m. and overseas £1.57m.

The directors report that the capital expenditure programme involving some £7m. for the U.K. and £1m. overseas, is proceeding as scheduled. In the half year expenditure on new plant and premises totalled £1.22m. and stage payments on the long forging GFM machine at Edgar Allen Balfour Steels and the major press at George Turton, Platts and Co. amounted to £0.94m. Further plant with a capital value of £0.21m. was acquired subject to a seven-year leasing contract.

There was an adverse cash flow during the half year of £2.18m. in the U.K. and £0.16m. overseas, which was in line with forecast.

The value of direct exports from the U.K. totalled £4.42m.

● comment

The 46 per cent. fall in first-half profits to just £828,000 at Edgar Allen Balfour is sobering enough, but the setback in the U.K. is particularly dramatic. Of the total pre-tax profits, £727,000 comes from overseas subsidiaries and associates, leaving only £101,000 from domestic operations; in contrast, much the greater part of the £32½m. capital employed is used in the U.K. Losses have been incurred in magnets and engineers' cutting tools but action has been or is being taken in these areas, for example, the Balfour Darwins capital tool works is being closed. Unfortunately, these problems have arrived at a time of heavy capital expenditure, reflected in the £2.3m. increase in net borrowings in the six month period. Moreover, of the three major investments under way, only the railway trackwork facility will start making sales within the next 12 months. However the gearing is still only 42 per cent., while orders have improved and therefore better profits are forecast for the second half. The yield on the shares at 46p is 14.9 per cent.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P.E. Ratio
—	F.P.	—	£101½	830	AmericanMedInt.Inc.($	930	+15	Q24c	—	1.5	—
—	F.P.	—	£31⅞	£25⅛	Kamark $US1	£28⅛	+¾	Q$1.52	—	5.2	—
—	F.P.	—	£?⅞	29⅛	Utd.TechnologiesUS$	£29⅞	+⅛	Q$1.20	—	3.6	—
—	F.P.	7/1	197	183	Willis Faber 25p	187	+4	b7.0	2.4	5.8	11.0

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
US$100	F.P.	—	$100	$98½	Kockums Mek 8% Guar. Notes 1983	$98½	—
[illegible]	F.P.	—	KD	KD	Korea Development Bk 9% Guar. Bonds 1979	98½KD	—
US$100	F.P.	$100	$98½	—	Midland Int. Fin. 8½% Guar. Bds 1986	$98½	−1½
[illegible]	F.P.	—	71	70	Newman Inds. 10% Cum. Pref.	71	—
$100	F.P.	—	$c99½	$c99	Nova Scotia (Prov. of) 9% Db. 1983	$c99	—
[illegible]	£10	—	105¾	101½	Tendring Hundred W'wks 9% Red. Pf. 1981	105¾	—
[illegible]	F.P.	—	75	75	Willis Faber 7% Cum. Pref.	75	—

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date †	Latest Renunc. Date ‡	1976 High	1976 Low	Stock	Closing Price p	+ or −
34	Nil	—	—	7	4	Assoc. Engineering	6½pm	+2
A4	Nil	—	3/12	385	225	Broken Hill Props.	226pm	−5
11	Nil	—	—	1⅛	½	Cray Electronic	1pm	—
45	F.P.	22/10	11/12	52	26	Fairbairn Lawson	51	—
34	F.P.	1/11	17/11	130	119	General Accident	127	+1
30	F.P.	28/10	10/12	130	101	Howden (Alexander)	122	—
A1.75	Nil	3/12	17/12	66	42	National Bank of Australasia	57pm	+2
A1.20	P.Pd	18/6	—	141	80	Western Mining	82	—

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p *** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. A Offered to holders of Ordinary shares as a "rights." ¶ 290 S.Afr. cents. ☆ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † provisional or partly-paid allotment letters. ★ With warrants. ϕ After suspension. KD Kuwait Dinar.

Midterm rise £12.54m. by Bank of Ireland

FOR THE six months to September 30, 1976, operating profit of The Bank of Ireland increased from £12m. to £14.04m. and pre-tax profits advanced from £11m. to £12.54m. after an additional provision against advances of £1.5m. (£1m.).

Basic earnings are shown at 26.2p (26.4p) per £1 share and fully diluted at 23.6p (23.5p). The interim dividend is held at 4p net on capital increased by the May, 1976 rights issue. Last year's total was 12.6p net paid from pre-tax profits of £15.09m.

Tax takes £6.17m. against £5.4m., and minorities £175,000 against £201,000, leaving profit attributable to stockholders up from £5.4m. to £6.2m. (£5.4m.). The retained balance is £5.19m. (£4.6m.).

The bank looks forward to improved results for the half year ending March 31, 1977 members are told.

There has been some deterioration on total assets from 1.66 per cent. in the half year ended March 31, 1976 to 1.53 per cent. in the present half year and a marginal deterioration compared with the half year ended September 30, 1975, from 1.56 per cent.

	Six months 1976 £000	1975 £000
Operating profit	14,044	12,004
Basic	11,856	10,204
Subsidiaries	2,188	1,800
Provision	1,500	1,000
Profit before tax	**12,544**	**11,004**
Taxation	6,171	5,404
Net profit	6,373	5,600
Minority interest	175	201
Attributable	6,198	5,399
Interim dividend	1,010	797
Retained	5,188	4,602
Deposits, etc.	1,596,709	1,259,152
Advances	744,595	663,547
Total assets	1,841,610	1,411,573

The closure of the Bank, due to a strike, affected operating profit and inhibited growth in domestic resources. The results for subsidiaries reflect both the effects of the strike and the fact that in the preceding half year interest trends were exceptionally favourable.

In real terms the results were insufficient to maintain the net worth of the Bank taking into account depreciation on gilt edged stocks at September 30, 1976, which resulted from the very high levels of interest rates prevailing in the money market at that date.

The Rights Issue in May 1976, raising £12.05m., enables the Bank to take full advantage of opportunities to extend its activities and to continue to satisfy the needs of its customers.

Melville Dundas up at midway

GLASGOW-BASED building and civil engineering contractors Melville, Dundas and Whitson made a pre-tax profit of £659,000 against £503,000 for the six months to June 30, 1976, on turnover increased by £1m. to £12m. Tax took £349,000 against £262,000, leaving profit attributable £310,000 (£241,000).

The interim dividend is lifted from 1.2p to 1.32p net per 25p share. The final is expected to be increased by the maximum permitted. Last year's total was 3.325p from profits of £1.15m.

Mr. H. A. Whitson, chairman, says that the group's activities and profits have continued at much the same levels as in the latter half of last year. It must be expected that the second half will show some slowing down due to the effects on construction of the country's continuing economic difficulties. It is anticipated, however, that the full year's results will be similar to those for the previous year.

To bring the issued capital of the company more into line with the assets now employed, it is proposed that it be increased to £1,500,000 by way of a one for two Scrip issue.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Allied Irish Banks, Brickhouse Dudley, Brunning Group, Alfred Dunhill, Fine Art Developments, Johnson Matthey, Monks Investment Trust, Robertson Foods, S.P.R. Investments, Tesco, Tunnel Holdings.

Finals—Sandhurst Marketing, Stocklake, Supara Investments, Thanet Investment Trust, Wade Potteries.

FUTURE DATES

Interims—

Airfix Industries	Nov. 30
Alpine Soft Drinks	Dec. 1
British and Commonw'lth Shipping	Nov. 25
Caledonia Investments	Nov. 25
Chapman and Co. (Balham)	Dec. 7
Henshall (W.)	Nov. 30
Hinton (Amos)	Dec. 3
Leisure Caravan Parks	Nov. 29
Pegler-Hattersley	Dec. 9
Ropner	Nov. 29
Valor	Nov. 29

Finals—

Chemring	Dec. 17
Elson and Robbins	Dec. 7
Killinghall Tin	Nov. 25
Nottingham Brick	Dec. 7
Tomkinsons	Nov. 29

Cramphorn up 81.4% to £0.2m.

CRAMPHORN THE garden centre and pet and garden store announces sales up from £3.95m. to £5.47m. for the year to July 3, 1976 and an increase of 81.4 per cent. to a record pre-tax profit of £201,411. The dividend total is 12.25 p net per share (11.5p), a resumption of the 1974 dividend.

Mr. J. F. Cramphorn, the chairman, says the warm and sunny months of the spring and early summer undoubtedly helped sales of seeds and plants, although the drought caused a marked slackening of demand for fertilisers, garden equipment, etc., and this led to a heavy build up of stock of these and related items at the balance sheet date.

Highlights of the year included enlargement of the range of products marketed under the Cuton brand name, coupled with a significant expansion in wholesale business in East Anglia; a substantial increase in the company's share of the overall U.K. seed trade, including bulbs and seed potatoes; and the acquisition of Stevens Nurseries Garden Centre in Bromley.

The chairman considers that if there were a worsening of the current economic climate people would tend, even more, to develop their gardens for growing food and for enjoyment and, although a slackening of demand at the expensive end of the market could develop in the short term, the long term picture continues to be very favourable.

Meeting Chelmsford on December 15 at noon.

A. Arenson operating profitably

FOR THE first quarter of the current year all aspects of the business-order intake, sales, production, costs and overseas growth show a considerable improvement over the same period last year, says Mr. A. Arenson, chairman of A. Arenson (Holdings). The group is now operating profitably.

While the year is as yet at an early stage and it is difficult to be certain of the final outcome, if these favourable factors continue for the year, then he would anticipate that the directors' confidence will prove fully justified. The directors regard last year's setback as temporary. The group made a loss of £0.49m. in the year to July 31, 1976 (reported on November 12), against a profit of £318,000. Dividends are maintained at 1.0115p net per 10p share.

The subsidiaries in the U.S., France and Benelux are now operating successfully following changes in management and methods of operation. Further benefits can be expected this year.

An amount of £197,607 of the deferred tax provision no longer required has been transferred to profit and loss account. The group now has over £1.25m. of unclaimed tax relief.

Exports totalled £1.14m. (£1.01m.).

Meeting, St. Albans, December 16, at 12.30 p.m.

Optimism at Newman Granger

ORDER BOOKS of Newman Granger Industries are satisfactory, and the first three months of the current year are showing promise, says Mr. B. D. Granger, the new chairman. In his annual statement for the year ended July 31, 1976, he tells members that an investment programme for new machines and re-conditioning has been planned to meet any increased demand. In addition, the management structure has been reorganised and computer facilities are being installed.

The new works at Codnor, near Ripley, are now operational, and the company hopes to have the move completed shortly. Mr. Granger feels sure that the move will enable the company to expand further in the agricultural field and function more efficiently.

Bayroe Engineering is beginning to make a useful contribution, members are told, and there is an upward trend in precision engineering, the sector most affected by the downturn in capital goods. The car jack division continues to progress and is now moving into the commercial field.

Exports are being actively pursued, Mr. Granger adds, and a further European agent has been appointed in France. Direct exports last year amounted to £837,163 against £855,159.

As reported on November 10, pre-tax profit was £570,173 (£445,985), dividends are 1.387p (1.26125p) net per 10p share and a one-for-four scrip issue is proposed.

Timber Tailors, a company controlled by a Newman Granger director, Mr. R. Baggaley, holds 17.98 per cent. of the capital.

Meeting, Nottingham, December 16, at noon.

Rexmore LIMITED INTERIM STATEMENT

Unaudited

	6 months to 30.9.76	6 months to 30.9.75	12 months to 31.3.76
	£	£	£
Group Turnover	16,422,244	17,361,000	38,170,068
Pre Tax Profit	602,763	543,243	1,407,777
Less U.K. Tax Est. (52%)	313,436	282,486	755,070
	289,327	260,757	652,707
Less Minority Interests	43,906	51,477	127,424
Profits after Tax	245,421	209,280	525,283
Less Extraordinary Items	–	–	151,332
	245,421	209,280	373,951
Dividends (Net)	76,781	71,479	223,578
	£168,640	£137,801	£150,373
Earnings per share	2.85p	2.43p (Equiv.)	6.10p

The Directors have declared an Interim Dividend of 1.1025p per share net (same). With the associated tax credit of .5936p per share (same) this makes a total of 1.6961p per share (same). The cost of the dividend is shown after waivers by certain Directors.

The dividend will be paid on the 11th January, 1977 to shareholders on the register at the close of business on the 29th November, 1976.

The turnover and pre-tax profit figures for six months to 30.9.75 and 12 months to 31.3.76 include the results of Unerman (Holdings) Ltd. However, the figures quoted for six months to 30.9.76 only include Unerman (Holdings) Ltd., results up to 8.9.76 which was the date that Rexmore Ltd. lost effective control.

Turnover figures for six months to 30.9.76 do not include Newage Kitchens Ltd., and subsidiaries which amounted to £1,745,194 6 months to 30.9.75: £3,720,634 12 months to 31.3.76.

The overall results show an increase in pre-tax profits of 10.95% as compared with the same period last year. If the Unerman contribution were to be excluded from the above statement, pre-tax profits would have shown an improvement of about 40%.

MINING NEWS

AIDC running into trouble

BY PAUL CHEESERIGHT

AN AUSTRALIAN Government review of the work of the State-owned **Australian Industry Development Corporation** threatens to remove a potential source of finance for the mining industry there and could undercut the AIDC's expressed readiness to take an equity share of the Windarra nickel mine in Western Australia following the collapse of **Poseidon**.

Reports from Australia indicate that the Treasury, a long-standing opponent of the AIDC, is undertaking the review with the aim of redefining the AIDC's role and the nature of its work. The review apparently comes in response to criticism of the AIDC within the ruling coalition parties.

The main burden of the criticism has been related to the AIDC's investment policy and its overseas borrowing activities. In this connection the willingness to take over Poseidon's stake in Windarra is open to censure because of Windarra's negative cash flow and the accepted estimates that there will be no marked upturn in nickel prices at least until the end of next year.

At the same time, if the AIDC did assume an equity interest in exchange for a write-off of the $25m. (£18.75m.) it has already loaned Poseidon—and this is considered a live possibility in Australia failing a higher bid from a group like, say, **Shell**—then it would eliminate a book-keeping loss.

But the AIDC's attitude to Windarra is consistent with the pattern of its activities. It has taken a stake in, or lent money to, a number of foundering Australian firms in its five years of existence, with the aim of ensuring that they stay in Australian hands.

Since 1971 the AIDC has provided $326m. (£244.6m.) in loan funds or equity finance to encourage Australian industrial projects. The mining and minerals processing sector has been the largest single beneficiary, taking just over a quarter of the funds deployed.

In the year to the end of last June, $61m. was disbursed and there was $175m. outstanding on project investments. Net profits for the year were $999,295 (£749,770).

BH SOUTH SEES BETTER TIMES

Australia's **BH South** is now turning the corner. In his annual statement the chairman, Mr. J. M. Tyler, anticipates a move from losses to profits in the current year to next June which could "bring the group close to a break-even position for the year."

And he reckons that dividend payments should be resumed as from the September 1977 declaration. BH South made a consolidated loss of $4.45m. (£3.34m.) in the year to last June and passed the dividend, the previous payment having been of a 13 cents total for 1974-75.

Mr. Tyler expects that the group's important phosphate development in Queensland will shortly move into the profit stage and that dividend income from outside sources will exceed $5m. (£3.75m.) in the current year and thereafter settle at above that figure. Meanwhile, terms of the proposed rights issue are due to be announced at any time now. BH South were 105p yesterday.

ROSSING: TALKS ON GRIEVANCES

A meeting of the management-employees' liaison committee at the **Rio Tinto-Zinc** group's **Rossing** uranium mine in South West Africa is expected to take place shortly in an effort to resolve the differences which led to a withdrawal of labour by Damara tribesmen.

The meeting follows the return to work on Monday by the men who stayed away from the mine before and during last weekend. Two main issues will be considered. The first deals with the one that prompted the trouble: the desire of the employees to take mine canteen food home to their families. The second relates to pay differentials between the various tribal groups employed at the mine.

Although a third of the 1,500 strong workforce was involved in the dispute, production at Rossing was not halted. Stockpiled ore was used to keep the processing plant working.

INCO'S $5.4M. TAKE-OVER BID

Subject to certain conditions, Canada's **Inco** has submitted a take-over proposal to the Board of **Continental Capital Corporation**, a small investment company based in San Francisco. Terms of the offer are $8 cash for each Continental share, which values the latter company at approximately $5.4m. (£3.3m.).

Inco's conditions are as follows: the $8 per share offer is final and will not be increased and the proposal will be withdrawn if a definitive answer has not been received by December 15 or if its proposal is rejected by the Continental Board.

Also, Inco will not make a tender offer for the company which is not supported by all of Continental's directors and that if Inco's proposals are withdrawn it would have no further interest in acquiring Continental.

BIDS AND DEALS

Dartmouth Inv. offers £0.3m. for H. Miller

Dartmouth Investments, which manufactures and markets products for commercial, industrial and domestic heating and ventilating industries and the automotive industry, has made an agreed bid worth around £306,000 for **H. Miller Investments**. Terms of the offer are 20p cash plus two Dartmouth shares—priced last night at 8¾p (down ¼p on the day)—for each Miller share. Miller shares doubled yesterday to close at 36p.

The directors of Miller, a holding company with interests in accessories and equipment for the cycle, motor cycle, motor, toys, agricultural and allied trade, have undertaken to unanimously accept the offer. The Board and certain other shareholders — holding between them 32.7 per cent. of the Miller equity—have given irrevocable undertakings to accept the offer.

The net tangible assets of Miller in the last audited balance sheet amounted to £329,682. The group made a loss in that financial year of £25,413. However, the Board stated that an improvement could be expected in the current year and that the group was trading profitably.

Dartmouth made pre-tax profits in its last financial year, ending March 31, 1976, of over £285,000, an increase of almost 19 per cent. on the previous 12 months.

RICHARDS SAYS WAIT

Richards of Sheffield, confessing to being "surprised" at the £1.9m. takeover offer from **Imperial Knife Associated Companies** of the U.S., is advising shareholders to take no action while it is having discussions with its financial advisors Hill Samuel.

Imperial Knife is the sole agent for the sale of all Richards products in the U.S. under an agreement which Richards has given notice of terminating at the end of December. Richards says that it was prepared to consider proposals from Imperial Knife for a new agreement for a limited range of products only. It was expecting to hold discussion on this and "was therefore surprised to receive an offer from the U.S. company."

The Board of Richards believes that in 1975-76 its U.K. market share in pocket knives and scissors was in excess of 75 per cent. and 40 per cent. respectively. In th esame period over 50 per cent. of Richards production was exported.

Yesterday, Richards shares rose 7p to 20½p compared with the cash bid of 21p.

STRAITS S/S—BEN

Agreement between **Straits Steamship**, a subsidiary of Ocean Transport and Trading, and **Ben and Company** has been reached on a merger of Ben with Warehousing and Transportation Pte. a wholly-owned subsidiary of Straits. Detailed terms have not yet been settled.

The merger will be implemented by an issue of shares by Ben to Straits in consideration for the acquisiton by Ben of the whole of capital of W and T. Straits wishes to develop Ben as an independent specialist distribution business in Sngapore.

The propoesd merger is subject to further discussions and certain conditions. A further announcement will be made as soon as possible.

AAA SALE TO W. & J. GLOSSOP

W. and J. Glossop has purchased **W. J. King and Sons**—a subsidiary of Anglo American Asphalt—plus 4½ acres of Anglo's site at Vale Road, Tonbridge, for £435,000 of which £255,000, is attributable to the Tonbridge site and is payable in cash.

Consideration for the sale of King totalling £180,000, is to be satisfied by £95,000 cash and 242,856 Ordinary shares in Glossop.

The disposal of King's will complete Anglo American's rationalisation programme and its activities will complement Glossop's operations. As result of this deal Anglo's stake in Glossop will increase to 26.9 per cent.

INGERSOLL—LAP SENG

The formal documents for **Ingersoll** by **Lap Heng**, the Hong Kong based watch manufacturer and distributor, which is offering 33p a share in cash, have been sent to shareholders.

Joseph Sebag, on behalf of Lap Heng, tell Ingersoll shareholders that they "are offered cash, at a time when interest rates are at an historically high level, in exchange for a security whose capital value has failed to offer satisfactory protection against inflation and, in an industry which faces serious difficulties both because of exchange rate parities and because of recent innovations in technology."

SAFETYSHIPS

Christian Salvesen (Oil Services) has purchased the minority holdings of Boston Deep Sea Fisheries and Putford Enterprises of Lowestoft in the oilfield standby vessel company, Safetyships, making it a wholly-owned subsidiary of Salvesen. Its fleet of ten converted deep sea trawlers will be operated, crewed and managed from Aberdeen.

The standby vessels, which maintain safety patrols round North Sea rigs and platforms, are equipped to Department of Industry specifications with special rescue and survivor care facilities.

SHARE STAKES

White Child and Beney announces that **GPG Holdings** has acquired a further 3,000 shares in company.

London and Manchester Assurance has acquired a further 7,500 Preference shares in **Manchester Ship Canal** bringing total holding to 3,999,980 shares.

Golden Hope Plantations announces that Kien Huat Realty SDN. BHD. has acquired a further 1,306,000 shares and now hold a total of 9,739,700.

Sime Darby's opposition to 'backdoor nationalisation'

BY MARGARET REID

SHAREHOLDERS in Sime Darby Holdings are asked by Mr. James Bywater, the chairman, in a circular on the coming poll vote about Board membership whether they want minority shareholders linked with the Malaysian authorities to obtain "significant representation on, and possibly control of" the Board.

This is one of several questions posed by Mr. Bywater as key issues which he believes are raised by last week's move by Rothutra Nominees, representing the Malaysian State-controlled Pernas Securities, to block the re-election of four directors. Rothutra has also proposed the election of three prominent South East Asian personalities to the Sime Board. The poll to settle the matter is to be held on December 10 at the Regent of Kuala Lumpur Hotel, Kuala Lumpur.

Pernas owns almost 10 per cent. of Sime Darby's shares and is thought indirectly to influence a good deal more, possibly up to just under 20 per cent. At Friday's meeting, Rothutra said it had the support of shares carrying over 26 per cent. of the votes.

The circular and its enclosures make clear that the Rothutra proposal, made three days before last Friday's annual meeting, follows many months in which the possibility of increased Malaysian influence in the company has been intermittently discussed.

No agreement has been reached and meanwhile the circular makes it clear that, in the absence of a settlement, the group—64 per cent. of whose $M715m. (£171m.) assets are in Malaysia—is finding its operations to some degree hampered in that country. "It has been made clear to Sime Darby that, until the composition of the Board . . . is changed to the satisfaction of Pernas Securities, the negotiations on the NEP (New Economic Policy) will not begin and other permissions required for the development of the group's activities will not be given" it is stated. The NEP aims at an interest by indigenous peoples of 30 per cent. in Malaysian companies by 1990, when the foreign interest should be reduced to 30 per cent.

Sime Darby, British-registered but resident for tax purposes in Malaysia and with its management based in Singapore, is the largest company with British connections operating in Malaysia and one whose shares are very actively dealt in in the East. Some 36 per cent. of the shares are held in Malaysia, 40 per cent. in Singapore, some 10 per cent. in Britain and the rest in Hong Kong, Europe and elsewhere. The group controls Consolidated Plantations and Tractors Malaysia.

At present only some 8 per cent. of Sime's assets are in the West and it is the Board's known policy to expand more internationally. But this has clearly been a contentious aim with the Malaysian authorities.

Shareholders are told that in March and August this year Sime submitted two proposals, respectively to Pernas and to the Malaysian Foreign Investment Committee, involving the formation of a Malaysian holding company for all the group's assets and activities in Malaysia. No substantive discussion has taken place on them.

The circular, which was unanimously approved by present directors, underlines that the Board, as that of an international company, should be seen to be independent of Government authorities. "This is particularly important during the negotiations between the company and the authorities in Malaysia about the implementation of the New Economic Policy as regards the company's Malaysian assets." In April Pernas asked to nominate three directors, but did not reply to questions about its shareholding.

It is also claimed that failure to re-elect the four directors opposed last Friday—Messrs. K. N. Eales, J. S. Booton, R. T. Constable and A. J. Sumner—would seriously damage Sime Darby's prospects, given their key role in management.

On current trading, the circular says that last year's improvement is being maintained, with profits so far this year ahead both of budget and of the corresponding period last year.

Among other questions noted by Mr. Bywater as crucial is whether shareholders "wish there to be a fundamental shift of strategy away from the balanced, widespread international growth proposed by your Board."

In Hong Kong yesterday Dr. Keith Bright, the chief executive, said: "We would be happy for Pernas to make a bid for the company and would attempt to ensure that shareholders were offered the true value of their holdings. But we do not accept this 'backdoor' nationalisation approach and cannot accept the domination of the Board by one minority group of shareholders.

From the Pernas camp, it is disputed that the election of the three Rothutra nominees—Tunku Ahmad bin Tunku Yahaya, Mr. Yee Cho Yaw and Mr. Sixto Raxas—would constitute a switch of control of the company.

Sime has approached the London Take-over Panel to see whether that panel has jurisdiction over the group and, if so, whether it would intervene in the affair. It is not at present clear, however, on what grounds such intervention could in any event take place.

See Lex

Fairbairn Lawson to expand

SIR JOHN Lawson, chairman of Fairbairn Lawson, says the group is moving comfortably towards its recent forecast that profits in the current year would be not less than £900,000 compared with £411,326 last year.

Exports were said to be running at 50 per cent. of the group's business.

In London yesterday, Mr. Noel de Monte, managing director, said the group was also looking for growth, both by internal organic growth and by acquisition.

But he warned: "It is difficult to make a good acquisition. Many companies you see are on the way down or on the point of going bust, but value their assets way back in time.

"We are looking for fairly sizeable acquisitions and would hope the next would cost not less than £1.5m."

Feeling his company's shares are "very cheaply priced" he would prefer the deal to be "very largely in cash."

He predicted that Clabir Corporation, the U.S. company which owns some 28 per cent. of Fairbairn Lawson shares, would maintain a percentage holding of under 30 per cent. in the event of an acquisition involving the issue of shares, although it had no intention of making a full takeover bid.

Consolidated Plantations upsurge

First quarter (to September 30, 1976) turnover of Consolidated Plantations expanded from £7.36m. to £10.4m., and pre-tax profit advanced to £4.24m. from £2.57m.

For the year to June 30, 1976, pre-tax profit was £11.93m.

The ultimate holding company is Sime Darby Holdings.

مكبرا من الاصل

هكذا من الاصل

FARMING AND RAW MATERIALS

Fertiliser prices may rise by 10%

By Peter Bullen

FERTILISER PRICES are likely to go up by about 10 per cent. after Christmas if applications by manufacturers are passed by the Prices Commission.

Mr. John Kerridge, managing director of Fisons Fertiliser Division, said yesterday: "This will be the first increase of any significance in the Division's prices since January, 1975; however, further price rises in 1977 cannot be ruled out."

Fisons says the proposed "significant" increases in prices are due to the substantial increases in production costs and the effect that the falling value of sterling has had on raw material costs.

ICI confirmed yesterday that they have made application to the Prices Commission to increase fertiliser prices by 10 per cent.

Although Fisons would only say the application was for "significant" increases across the range of products, it is expected to be around the 10 per cent. level. Other manufacturers are expected to raise prices by a similar percentage.

Phosphate rock marketing group proposed

RABAT, Nov. 23.

EXPERTS FROM six phosphate producing countries, who met in Dakar this month, have proposed a permanent organisation to supervise the marketing of phosphate rock and by-products, industry sources said.

The countries, Morocco, Tunisia, Algeria, Togo, Jordan and Senegal, did not decide what form the organisation should take.

In an interview with French newsmen, King Hassan of Morocco said President Leopold Senghor of Senegal proposed holding a meeting of Ministers of Finance and Economy with a view to setting up a body for phosphate similar to the Organisation of Petroleum Exporting Countries (OPEC).

The King said he preferred a meeting of directors or presidents of mining companies and agencies to "depoliticise" the organisation that would co-ordinate the action of phosphate producers because "by depoliticising it is certain that we will be more free."

Morocco, the world's largest phosphate rock exporter, is expected to market about 14m. tonnes this year.

Reuter.

EEC seeks way to ease beef import ban

BY ROBIN REEVES — BRUSSELS, Nov. 23.

AGRICULTURAL MINISTERS of the Nine were this evening attempting to agree on a new EEC beef import regime. It is expected to come into effect some time in the New Year, to replace the Community's near ban on beef imports introduced in July, 1974 at the height of the world beef glut.

Discussions in the Council demonstrated the clear division between the beef importing countries, Britain and West Germany, which were pressing for as liberal an import regime as possible, and France and Ireland which, as beef exporters, were trying to maintain as much protection as possible.

On the table was the Commission's proposal for import levies on beef ranging as high as 130 per cent. of the basic levy which, in turn, is the difference between the world market price of beef at any one time and the EEC common guide or target price.

The 130 per cent. levy would apply when the average Community beef price was at the intervention level and be progressively reduced as market prices rose.

Mr. John Silkin, the U.K. Farm Minister, and his German counterpart argued that 110 per cent. was the maximum they would accept, while France and Ireland lined up behind the Commission.

Sig. Giovanni Marcora, the Italian Farm Minister, demanded the introduction of national beef import quotas as the best way of assuring liberal imports of young cattle to build up Italy's national herd while at the same time allowing a reduction in the country's heavy dependence on beef imports.

But his request was given short shrift by Mr. Pierre Lardinois, the Brussels Commissioner for Agriculture, on the grounds it would be against CAP principles.

A compromise was later proposed of 115 per cent. of the basic levy, but the beef exporters attempted to hold out for 120 per cent. as a fairer settlement for their own producers.

The issue was given particular urgency by the wish of the Brussels Commission to set a date for the lifting of the import ban regulation at their weekly meeting to-morrow.

In recent months the ban has been far from complete. Besides arrangements for access for beef from developing country signatories of the Lomé Convention—notably Botswana — shipments from other parts of the world have been linked to a "jumelage" or twinning device whereby import licences are linked to offtake of surplus beef stocks.

The Community has about 450,000 tonnes of beef in public and private stores, but with prices very much firmer the case for opening up to imports in the near future can no longer be resisted.

Ministers did succeed in reaching quick agreement on greater harmony of veterinary regulations affecting intra-EEC trade in meat and livestock.

Britain secured permanent Common Market agreement to exclude live animals from the Continent which have been vaccinated against foot and mouth disease.

Northern Ireland and the Republic will be allowed to keep more stringent regimes wholly intact, but subject to another review in five years.

The position of trade in live pigs and pork is to be discussed in the coming year, but the Council did agree that Community arrangements should respect the fact that the U.K., Ireland and Denmark are free from swine fever.

New fall in cocoa market

By Richard Mooney

HEAVY SPECULATIVE selling sent cocoa futures prices to the lowest levels for over three weeks on the London terminal market yesterday. Values moved up sharply in early dealings and a £30 permissible limit rise was established during the morning.

But the downtrend was quickly reasserted and the March position sank to £1,835 a tonne at one stage before closing £47.5 down on the day at £1,858.5 a tonne. March cocoa has now declined £168 from the all-time peak reached a week ago.

Dealers said there had been no significant change in the fundamental supply/demand situation and attributed this week's fall to disappointment at the market's failure to hold the gains made last Friday following the initial "shake-out."

Most market sources agree that the recent uptrend has now been well and truly broken, but remains "bullish" on the market's medium-to-long term prospects.

They point out that there has been no improvement in world crop expectations—if anything, these have deteriorated recently.

The U.S. Department of Agriculture yesterday estimated the 1976-77 world crop at 1,456,500 tonnes against 1,326,800 in 1975-76, but dealers said this figure appeared out of date adding that 1,416,000 tonnes would be nearer the mark. The USDA figures for Ghana (360,000 tonnes) and Nigeria (180,000) were in particular thought to be too high.

ICELAND FISHING
Public opinion may block EEC deal

BY WILLIAM DULLFORCE, NORDIC CORRESPONDENT

MR. FINN GUNDELACH, the EEC Commissioner temporarily in charge of external relations is due back in Reykjavik this evening to resume "exploratory talks" with the Icelandic Government on a fisheries agreement between the EEC and Iceland.

There are only slight prospects that he will be able to reach an understanding which would allow British trawlers to continue fishing in Icelandic waters after the expiry on December 1 of the six month interim agreement between the U.K. and Iceland.

During his first meeting with Icelandic Ministers in Reykjavik on November 12, Mr Gundelach offered a framework agreement providing for co-operation on fish stock conservation after the EEC moves to a 200-mile fishing limit on January 1. Iceland proclaimed a 200-mile limit in October, last year.

Imports ban

Reciprocal fishing rights within the two zones would be worked out later. Mr Gundelach recognised that under the existing U.K.-Iceland agreement British trawlers would have to stop fishing off Iceland on December 1.

He also left the Icelandic Ministers with the firm impression that the ban on imports of Icelandic fish under protocol six of Iceland's trade agreement with the EEC, which was lifted after the signature of the U.K.-Iceland agreement in Oslo in June, would not be reapplied.

The Icelanders expressed approval in principle of a framework agreement but pointed out that the EEC would have to come up with firm proposals for fishing by Icelandic vessels within the EEC 200-mile limit in return for EEC countries' fishing rights in Icelandic waters.

Mr. Geir Hallgrimsson, the Prime Minister and Mr Einar Agustsson, the Foreign Minister favour the conclusion of a fishing agreement with the EEC, but Icelandic public opinion is strongly against further foreign fishing of the depleted cod stock.

Opposition within the Parliamentary group of the two Government coalition parties, the Independents and Progressives would block any such agreement. Iceland's fishery experts have also recommended a cut to 275,000 tons a year in the allowable cod catch over the next two years. This year, including the foreign catch, 330,000-340,000 tons of cod will be taken off Iceland.

The Icelandic Government is waiting to see what Mr Gundelach can offer Icelandic fishermen. The two main possibilities are access to North Sea herring, of which the Icelanders fished some 12,000 tons this year, and to Greenland fishing waters, but they present problems.

The Council of Agricultural Ministers decided in Brussels last night to hold a special session on December 14 devoted to fisheries problems. They are expected to concentrate on the internal arrangements for revising the Common Fisheries Policy, including the thorny issues of quotas and the policing of controls.

Special case

The Icelanders anticipate that the North East Atlantic Fisheries Convention (NEAFC) meeting in London will ban all fishing of North Sea herring next year. The Icelandic catch in Greenland waters is relatively small, but the Icelandic and Greenland cod stocks intermingle and Iceland would be interested in joint conservation measures.

The Greenland fishery situation is however unclear. Mr. Gundelach told the Icelanders that Greenland, which is part of the Kingdom of Denmark, fell within the EEC mandate. The Danish Government, which has a Greenland home rule commission at work, has asked the EEC to treat the Greenland fishing as a special case and reserves its position until it sees what the EEC proposes.

● David Buchan writes from Brussels: Mr Gundelach won high praise from British trawling representatives and Humberside County officials in Brussels last night.

"We could not have a better man handling the negotiations for us," Mr. Harry Lewis, leader of the Humberside County Council, said after an hour-long talk with Sir Leo Schultz, leader of the Hull Council, Mr. Andrew Marr, president of the Hull Fishing Vessel Owners' Association, and Mr Gundelach.

The delegation, which chartered an aircraft to come to Brussels, reiterated its concern to Mr Gundelach that 10,000 people in Humberside and 2,000 in Fleetwood would be out of a job if there was nothing to replace the British-Icelandic agreement which expires at the end of the month.

The delegation said Mr. Gundelach could give no firm assurances on the Reykjavik talks, which are to resume on Thursday. Nor did the EEC Commissioner go into details about his previous round of talks with the Icelanders.

Nevertheless, the delegation's praise for Mr Gundelach's "grasp of the situation" represents a considerable turn-around from the industry's recent criticism of the Commission. In particular, it had sharply criticised Mr Gundelach for leaving the talks so near to the December 1 deadline.

Strike threatens Danish bacon supply

BY HILARY BARNES — COPENHAGEN, Nov. 23.

DANISH BACON exports to the U.K. are threatened by an unofficial strike by 67 lorry drivers at the bacon container depot in Esbjerg, the west coast port.

According to ESS-Food, the bacon factory's export association, 100 tons of bacon have been shipped to the U.K. and supplies will not run short immediately, but if the strike lasts for more than a week or so the supply of Danish bacon could begin to run short.

The Esbjerg drivers came out in solidarity with the drivers of oil and petrol lorries, whose action, which began last week, has dried up supplies of petrol and heating oil almost completely.

Prime Minister Anker Joergensen to-day appealed to the strikers to go back to work. The destructive forces in the labour market could bring about "an insoluble situation," he warned.

The Government is awaiting the outcome of a labour court decision on the legality of the strike before deciding whether to take measures to avert the industrial and social chaos which will be caused if the strike is prolonged much longer.

Our commodities staff writes: The Esbjerg depot handles all Denmark's bacon shipments to the U.K. so a prolonged strike would be almost certain to paralyse the delivery schedule. Since the industrial action affects all road transport there is little possibility of an alternative supply route.

The Danish Agricultural Producers (DAP) organisation in London said another shipload of bacon is due to leave for Britain to-morrow so supplies should be adequate at least until the end of next week. After that the U.K. could face a growing shortage of bacon, if the dispute has not been settled. Danish imports represent nearly half of Britain's total bacon supplies.

Strike leaders are understood to have attended talks with the Government this morning and another meeting is to be held on Thursday, the DAP said.

Lower trend in metal prices

THE FIRMER tone in sterling, and an easier trend in New York markets, brought a general decline in London metal prices yesterday.

Copper cash wirebars lost £15.5 to £772.5 a tonne during a day of quiet trading activity with the market apparently locked in a fairly narrow range mainly influenced by the trend in sterling as consumer demand remains absent.

Lead and zinc prices were depressed by the downward trend in copper and also ended the day lower.

Tin prices rose initially despite a further fall in the Penang market overnight. But later renewed selling brought a lower close for the cash price although the three months quotation ended marginally higher.

BIGGER ITALIAN ORANGE CROP

ROME, Nov. 23.

ITALY'S ORANGE crop in the 1976-77 season is expected to rise 8.9 per cent. from last year, and export prospects are good, the Government bureau of farm statistics has reported.

Honduras plans to sell more beef to U.S.

TEGUCIGALPA, Nov. 23.

HONDURAS WILL try to sell 45.8m. lbs of refrigerated beef next year to the U.S., left over from this year's production, Government sources said, reports AP-Dow Jones.

The sources said Honduras filled its 35.8m. lbs beef quotas with the U.S. on November 3, but still had 10m. lbs to be refrigerated and sold next year.

They said they were confident President-elect Jimmy Carter's Government would "have closer commercial relations with Honduras and increase its meat quota."

Nickel producers' price 'allowances'

BY JOHN EDWARDS, COMMODITIES EDITOR

INTERNATIONAL NICKEL and Falconbridge Mines confirmed yesterday they were offering "allowances" on the price of ferro-nickel products ordered before the end of the year for delivery during the first quarter of 1977.

Inco is reducing its nickel oxide sinter by 7 cents to $US2.20 a pound and Incomet nickel by 8 cents to $2.23 of nickel content. Falconbridge is also cutting its ferronickel price by 8 cents a pound.

The "allowances" are basically discounts on the price increases that officially became effective on October 1, but are not likely to be generally applied until January 1 because of price protection guarantees given to contract customers.

The "price war" that has broken out reflects decreased demand from the steel industry that is the major outlet for ferronickel and aggressive marketing by small producers, notably Amax Nickel Inc.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Lower on the London Metal Exchange with small volumes changing hands except at the lower levels. ... Amalgamated Metal Trading reported in the morning cash wirebars traded £780, three months £818, 17, 16, 15, 14, 15. Cathodes: cash £766, 66.5, three months £802, 01.5. Kerb: Three months £814, 14.5, 14. Afternoon: Wirebars, cash £772, three months £807, 7.5, 8, 7, 8, 8.5, 9, 9.5, 9, 8.5. Cathodes: three months £794.5. Kerb: Three months £809, 09.5, 08.

... stayed at around that level throughout the morning. In the afternoon trade buying from the U.S. and Europe and some bear covering was met by chartist and commission house selling and the price slipped to £5,060. It lifted to close on the Kerb at £5,080. Turnover: 1,935 tonnes.

Morning: Cash £4,937, 48, 42, 45, three months £5,100, 105, 110. Kerb: Cash £4,940, three months £5,110. Afternoon: Cash £4,930, three months £5,095, 5,100, 5,055, 80, 85. Kerb: Three months £5,085.

LEAD ... ZINC ... SILVER ... SOYABEAN MEAL ... RUBBER ... COCOA ... COFFEE ... SUGAR ... GRAINS ... WOOL FUTURES ... MEAT/VEGETABLES ... PALM OIL ... COTTON

[illegible]

I. G. Index 01-351 3466 — March Cocoa 1853½-1860½

CRIMSBY FISH—Supply poor, demand good. Prices at ships' side unprocessed (per stone): Shell cod £3.60-£4.10; codlings £3.20-£3.70; large shell haddock £3.20-£3.70, medium £3.00-£3.40, small [illegible]; medium plaice £3.00-£4.20, best small £2.90-£3.20; skinned dogfish medium £3.50, large £4.50; lemon soles £6.00-£7.00; saithe £2.00-£2.50.

COPRA—Philippines (per tonne), Dec.-Jan., $360 resellers cif North European ports.

Big bauxite reserves found in India

CALCUTTA, Nov. 23.

THE NEW bauxite reserves discovered in the Indian eastern States of Orissa and Pradesh are estimated at 500m. tonnes by the Geological Survey of India.

The reserves, it is claimed, are among the largest in the world. Several East European countries have shown interest in importing the bauxite either in ore form or as concentrates, a survey official said.

PRICE CHANGES

Prices per ton unless otherwise stated

[illegible]

FINANCIAL TIMES — REUTER'S — DOW JONES — MOODY'S

[illegible]

U.S. Markets

Copper at lows; Coffee up

NEW YORK, Nov. 23.

[illegible]

Fresh cutback in jobs disclosed at Enka

BY MICHAEL VAN OS

AMSTERDAM, Nov. 23.

ENKA GLANZSTOFF, the troubled chemical fibres subsidiary of the Dutch-based Akzo Chemicals group, has announced a further cutback in activities, resulting in the loss of jobs for several hundred people in Holland and Germany. It said that the annually-growing losses for nylon textile filament and the increasing depression in the West European hosiery industry have forced it gradually to withdraw from the hosiery yarn sector.

The company stated in Arnhem that production of the nylon 6.6 yarns in the German plants located at Kelsterbach and Obernburg would be gradually closed. As a result, the texturing of these hosiery yarns in the Emmer-Compascuum plant in Holland will also be phased out, after which that plant will be closed down.

The latest Enka decisions will mean a loss of jobs of about 300 in the high unemployment area of Holland's Drente Province, while it is understood that another 100 jobs may be cut at Breda. The size of the job cutback in Germany was not given. Enka is also slimming down its administrative sector particularly in the laboratory and maintenance areas.

Fresh clash at Marra meeting

BY JAMES FORTH

SYDNEY, Nov. 23.

A LONG-STANDING battle between opposing factions in the ranks of pastoral group Marra Developments erupted again today at the company's annual meeting in Sydney. Marra has been the centre of dissension since 1974 when a takeover bid from Tiera, headed by Melbourne businessman Mr. Peter Yunghanns, for Scottish Australian Holdings was foiled by its merger with Marra. Tiera came out of the fray with a holding of about 30 per cent. in the merged group and has since been at loggerheads with factions from the families which formerly controlled Marra.

A slump in rural industry and heavy debts incurred to finance the merger resulted in Marra running up losses of more than $A24m. in 1974-75. This was reduced to $A12m. in 1975-76 largely through the sale of properties to reduce the company's large borrowings.

Many of the old Marra shareholders are opposed to the property sales and formed a shareholders' action group which has continually criticised the present Marra Board of directors.

At to-day's two-hour meeting representatives of the action group attacked the Marra accounts, claiming that they gave an unrealistic and pessimistic view of the company's position. They called on Marra to discontinue property sales and spoke against any thoughts of a capital reconstruction.

Marra chairman Mr. Poul Berner replied that the directors hoped for a break-even this year, which would be a major improvement on results of the past two years but still not good enough. "It is essential that this company continues to improve its performance if it is to have a fighting chance of meeting its still considerable short- and medium-term obligations. If this requires the disposal of assets which are likely to continue to yield less than the interest charges incurred in holding such assets, then it is the duty of any Board to act accordingly in the interest of all shareholders," he said.

Despite opposition from the action group' the Tiera camp, aided by some institutional holders, used its voting strength to remove Dr. E. D. L. Killen from the Board. The Killen family was one of the founders of the 66-year-old pastoral group and Dr. Killen was the last of the family represented on the Board. He had been a constant critic of the present Board's policy.

Tucker's Land report

BY RICHARD ROLFE

JOHANNESBURG, Nov. 23.

WITH TWO major South African township developers, Glen Anil and Corlett Drive, at present involved in compromising with their major bank creditors, the long-delayed report and accounts from Tucker's Land Holding, the other township major, have been awaited with keen interest as they cover the year up to June 30 and are therefore technically overdue.

On the whole the report does not show as bad a situation as had been feared though it is qualified by the auditors, Charles Schaid and Partners, who say they are "unable to form an opinion as to the value of Township Land and the inflationary factor applied to cost estimates for future development expediture."

This judgment strikes at the heart of the developers' business technique, which has been to buy up raw land and subdivide it into saleable plots at a profit. But in recent years, economic recession has hit hard and local authorities have become increasingly stringent in their requirements for provision of services to the new townships. Thus volume of sales has fallen on the one hand and the cost of establishing townships has risen on the other, leaving the developers increasingly exposed.

Glen Anil and Corlett between them, with their big bank creditors having advanced well over R100m. and having been left with the choice either of putting in more money or trying to realise the land stock in a weak market, have been widely compared with the U.K. secondary banking crisis, if on a much smaller scale.

With Tucker's shares quoted at 30 cents, the company is capitalised at no more than R2.2m. but net worth, on the latest accounts, is theoretically about 300 cents. Apart from the fact that the company is not at present paying dividends, although showing apparent net attributable profits of R0.45m., the main reason for the massive discount to net worth is doubt over whether the latter figure could ever be realised, as a going concern or otherwise.

Provisions and deferred liabilities, on the source of capital side of the balance sheet, amount to R80m., a staggering figure for a company with Tucker's present capitalisation, while on the employment of capital side, Township Land is put at R34m. and accounts receivable at R45m. Clearly a modest adverse movement in any of these figures could wipe out the equity shareholders interest.

Tucker's other problem is that while it is generally reckoned to have looked after the best interests of its shareholders, there is some doubt over whether it has done so well for those members of the public who have bought stands. In another note to the accounts, the auditors point out that "there exists a possibility that deeds of sale in certain unproclaimed townships may be found to be unenforceable." This would mean that an amount of R2.9m., in the directors' estimates, would be refundable. Not a large sum in itself, but it represents a big cash call for a company with current liabilities of over R1m. and little prospects of raising any further funds.

Concern over bank earnings in Japan

BY PAULINE CLARK

THE SLOW PACE of the economic recovery in Japan is causing concern about the Japanese banks' earnings levels, in sharp contrast to the experience of three previous economic recovery periods.

Urging the country's city banks to make greater efforts in rationalisation and efficiency to combat pressure on earnings felt especially at the start of the current recovery, the latest bulletin of the Fuji Bank research division explains that there has not been a sufficient rise in the volume of business to compensate for the lower yields being offered on loans and other investments. In the past, the opposite has been the case—where the decline in the yield on both loans and securities in the early stages of recovery could be offset by a large increase in the funds applied to these uses.

In the fiscal year 1975 Fuji Bank points out that comparatively low income from loans and other investments was responsible for a decline in yield of 48.6 per cent. in the first half and 89.6 per cent. in the second. During the two periods, the rate of change in city banks' ordinary profits on the preceding term was down 2.8 per cent. and 11.0 per cent. respectively.

In stark contrast, the bank's analysis makes comparisons, for instance, with the 1970-71 recovery phase when the yield from loans and investment in securities was down 2.0 per cent. in the second half of 1970 and down 8.4 per cent. in the first half of 1971, while profit increases were recorded of 13.[illegible] per cent. and 7.4 per cent. respectively.

Fuji Bank's researchers attribute the latest early recovery trend as it affects bank earnings to stagnation in equipment investment and the continued adjustment of inventories which resulted in depressed corporate fund demand. In the first term of fiscal 1971, they explain, the total private equipment investment accounted for 21.7 per cent of GNP, while in the latter half of fiscal 1975 the figure was 13.[illegible] per cent.

In the previous three recovery periods, Fuji Bank points out the ratios of the increase in loans to the increase in deposits were 74.7 per cent., 87.3 per cent. and 80.7 per cent., while in fiscal 1975, the first year of the present recovery, this ratio was as low as 54.1 per cent.

Fuji draws attention, moreover, to the larger take-up by the banks of national and local bonds which became necessary in the latest period so taking a larger part of their available funds and causing a deterioration in the compositions of their securities portfolios.

However, the changes in the earnings of the banks in the last fiscal year were due not only to cyclical fluctuations but also to structural factors, Fuji adds. "The soundness and safety of banking operations," it says, "will require greater efforts at rationalisation and efficiency."

Geest company to cut 150 jobs

BY OUR OWN CORRESPONDENT

THE GEEST Organisation's produce company at Spalding, Lincs., has given the Transport and General Workerss Union 90 days' notice that up to 150 workers are to lose their jobs.

All are employed on the pre-pack fruit and vegetable lines which are to be closed because the department is making a loss which would reach £1m. within two years.

The company, which employs 6,000 workers throughout Britain, said yesterday that they were doing everything they could to minimise the redundancies through re-development of staff and shop-floor workers.

"We have also imposed a total ban on recruitment in an effort to solve the problem. Every possible worker from this department will be absorbed within the company."

The company blames the decision on the economy situation coupled with the drought which seriously cut its supplies.

Bank to up capital base

BY L. DANIEL

TEL AVIV, Nov. 23.

THE ISRAEL Discount Bank Bankholding Corporation intends to increase its registered capital by a total of I£300m. (about £21.4m. sterling) by creating a further 1.5m. Convertible, Redeemable "A" Preference shares of I£100 each, as well as 7.5m. Ordinary shares of I£20 each.

The proposal is to be approved at an extra-ordinary general meeting later to-day. The group's after-tax earnings for the six months ended June 30, 1976, are reported to have totalled £5.66m. sterling, compared with £3.5m. in the first half of the calendar year 1975. On the assumption that earnings in the second half will be at least the same, net after-tax earnings for 1976 can be expected to be up some 4[illegible] per cent. at £11.4m. sterling.

● Alliance Tire and Rubber Company, Israel's sole tyre producer and exporter, reports total sales for the first nine months of 1976 of £24.1m. sterling. Gross profits came to £4m. but financial, administration and sales expenses exceeded £3m. so that total operating earnings were £880,000. To this must be added £900,000 of net sundry income, bringing total net after-tax earnings to £1.25m., or roughly the same figure as that for the nine months ended December 31, 1975. Due to a change in the balance sheet date no January-September comparison is possible.

COMPANY MEETING

BH SOUTH LIMITED

459 Collins Street, Melbourne, Australia 3001

The Annual General Meeting of BH South Limited was held in Melbourne on 12th November, 1976. The following are extracts from the address by the Chairman, Mr J. M. Tyler.

MAIN FEATURES

- The Company's phosphate development will shortly turn from losses to profitable operation;
- Dividend income from outside investments is expected to exceed $5 million in the year to June, 1977, and under reasonable commercial conditions, to settle above that figure;
- Results for the year to June, 1977, should be close to break-even, allowing for an expected loss in sustaining the Cobar operation;
- The improved results should permit BH South Limited to recommence dividends one year hence.

1976 TRADING POSITION

The group net loss in 1976 was $4,451,000. The rate of loss at Cobar was reduced by $1.21 million per annum, at Kanmantoo by $0.46 million per annum, and E.R.&S. improved from a net loss of $1.38 million to a net profit of $0.54 million. Queensland Phosphate Limited which is about to achieve a production rate close to the first stage target of one million tonnes per annum which will be profitable, incurred a higher loss on the interim production basis.

With the exception of the phosphate development, which was in a special category of trading because of the emphasis on developmental activities, each business within the group improved its trading position in 1976.

Directors have taken the view that, with the exception of Kanmantoo Mines, the long-term interests of the group will be best served by keeping intact the productive capacity of the group in the metallic minerals companies and by pursuing the stage one development of the phosphate project as promptly as possible.

Directors have announced their proposal that BH South should make a share issue, the details of which will be announced within two weeks when all administrative aspects are expected to have been finalised. The proceeds of the issue will be committed to the phosphate development. Following the issue the residual funding of the phosphate development stage one will comprise the 10-year consortium loan funds from the proposed issue by BH South and short-term funds to be retired from early cash-flow of Queensland Phosphate Limited.

PHOSPHATE

Queensland Phosphate Limited

Production at Phosphate Hill continued on an interim basis pending completion of facilities at the mine for the one million tonnes per year production rate. The new crushing, washing and screening plant has been commissioned and is producing —1mm products. The —1mm section of the plant is scheduled to be completed later this month.

By agreement with the Queensland Railways 10 locomotives and 270 rail wagons of 50-tonne carrying capacity have been delivered, with only one locomotive yet to come to complete the order. By the time all rail facilities for the one million tonnes per annum rate have been installed, $35 million will have been deposited by Queensland Phosphate with the Queensland Railways, to be repayable with interest over 15 years.

An additional $25 million has been committed to the mining facilities, the township and the Townsville installation at the port site. The total capital expenditure for the one million tonnes per year facilities is expected to be $60 million. Further funds to cover working capital, including losses to date, will be covered by short-term borrowing and early cash flow.

At Townsville, the train unloading facilities have been operating since last April. There has been considerable delay in commencing the installation of the dryer, but Townsville City Council permission to commence work on the foundations is imminent. In view of the extended delay it has been necessary to concentrate mining in the limited quantities of relatively non-pitrous rock.

Regular shipments are being made to Japanese and South Korean markets under long-term contracts. In Australia the Commonwealth Government has now advised the Company and the Christmas Island Phosphate Commission of its objective to have Queensland Phosphate admitted into the Australian market and the quantities for supply in the period to June, 1978.

In addition to the output required for existing export contracts and the Australian market, Queensland Phosphate holds letters of intent to purchase covering the balance (approximately 200,000 tonnes) of the production for the 1 million tonnes per annum stage. Following approval for the dryer, we are moving to convert these letters of intent to contracts.

Expansion of output has been recognised in the facilities installed to date, many of which have capacities well in excess of one million tonnes per annum. Queensland Phosphate is well placed to increase its output as increased sales are developed.

COPPER

Cobar Mines Proprietary Limited

Production schedules have been restructured. The benefit to the Company of the development programmes undertaken from funds generated in the years to 1975 can now be seen, in that it is providing the framework within which the more productive open-stopes can be mined. A production rate of 600,000 tonnes ore has been scheduled and is being achieved. This rate can be maintained for several years, excepting severe cost inflation, pending return to higher copper prices.

Kanmantoo Mines Limited

The mine was placed on care and maintenance, effective 30th June, 1976. The plant has since been conditioned for the period of inactivity while awaiting return to higher copper prices at which operations can again be profitable.

The Electrolytic Refining and Smelting Company of Australia Limited

The Electrolytic Refining and Smelting Company of Australia Limited recovered from the loss incurred in the 1975 financial year, notwithstanding that in 1976 throughput was lower as a consequence of strikes which disrupted maintenance and production. Unrefined copper stocks will not be restored to normal levels until early 1977.

Copper Market

The copper price has not yet broken out of the current trough. World stocks have continued to rise.

The position is further clouded by the weakness in sterling, which is the currency

Mr J. M. Tyler

of quotation on The London Metal Exchange. The continuing high value of the Australian dollar against sterling is an additional penalty to all Australian copper producers.

By comparison, the longer term position is more hopeful. As world economies return to normal, existing copper stocks and re-entry of latent production capacity are expected to fall short of demand, and it is being widely predicted that the price will rise and settle at the higher level needed to support new investment, that is, about U.S.$1.00 per lb or about $1,800 Australian per tonne.

The prospect of those prices being achieved must be recognised in determining the future prospects for our copper interests.

INVESTMENTS

The Company's three major outside investments are in Alcoa of Australia Limited, Kembla Coal and Coke Pty. Limited and Metal Manufactures Limited. In Alcoa and Kembla Coal & Coke, which are export orientated, recent expansions are coming to fruition and profit expectancy is higher.

Dividends received from other companies in 1976, totalled $3.2 million. Given continuation of existing performances for the remainder of the 1977 year, higher dividends are expected from other companies and the total to exceed $5 million. The prospects of total dividends received by BH South from other companies being maintained above that level in succeeding years is strong and financial results will improve accordingly.

SUMMARY

The first stage of development on the phosphate deposits, which rank as a major world resource, is virtually complete and at a cost which, although higher than anticipated, could not be repeated if started today. It is about to come on-stream at its initial capacity of one million tonnes per annum and its formative losses will terminate.

In achieving these ends, the group's outside interests have not been depleted and the outlook from this segment of the business, which is for substantially higher returns, is being fulfilled.

For the 1977 results, the first half will generally continue the loss pattern of the last two years, but improvement in the second half to June, 1977, is estimated to bring the group close to a break-even position for the year.

With the prospect of the higher income from outside investments coming into the parent company, and the phosphate project coming on-stream, BH South Limited should be able to resume dividend payments effective from the September, 1977, declaration.

Copy of Chairman's Address

A copy may be obtained from The Secretary, BH South Limited, 459 Collins Street, Melbourne, Victoria 3001, Australia.

The BH South Group of Companies comprises:
Queensland Phosphate Limited • Cobar Mines Proprietary Limited • Kanmantoo Mines Limited
Mines Exploration Proprietary Limited • The Electrolytic Refining and Smelting Company of Australia Limited

BH38

IHI plant order

● Ishikawajima-Harima Heavy Industries (IHI) said it received a Y20.1bn. order from Union Cement Company of Arab Emirate, Ras al Khaimah, to build a plant with a daily capacity of 1,500 tonnes, at Ras al Khaimah by November 1979, Reuter adds.

This will be the third cement plant installed by IHI at Union Cement, a joint venture between Ras al Khaimah and Abu Dhabi.

Saudi bank opening in Paris

By Henry Scott Stokes

PARIS, Nov. 23.

AL SAUDI BANQUE, the first Saudi bank to open in Paris, will hold its inaugural ceremony here to-morrow in the presence of Prince Fahd, Prime Minister of Saudi Arabia.

Prince Fahd was due here this evening to join Dr. Chafic Akhras, the president of the bank, and other dignitaries for the inauguration. The new bank, which has a capital of Frs.50m., is 75 per cent. owned by Saudi Arabian Finance Corporation, a Luxembourg holding company. The rest of the stock is held by Arab Finance Corporation, of which Dr. Akhras is also the president, Manufacturers Hanover International Finance Corporation and the Banque de l'Union Europeenne.

Al Saudi Banque will function as a merchant bank and will also accept deposits and carry out commercial banking, according to a spokesman.

The decision to open in Paris rather than London was taken partly because there is already a Saudi institution in the City, Saudi International Bank.

The Paris Saudi bank has its office in the Avenue George V. With Dr. Akhras, a Syrian financier who has acted as economic adviser to the United Arab Republic, as president, the bank is one of the most important of the growing number of Arab institutions in Paris.

Dr. Akhras started Arab Finance Corporation in 1974 in Beirut with the aim of providing a link between the Arab world and international capital markets. Banque de l'Union Europeenne and Manufacturers Hanover Trust are both shareholders in AFC.

He is associated with the idea of developing Beirut as the centre of an "Arab dollar market," where international bond issues could be managed mainly by Arab banks and sold to Arab investors.

With the civil war in the Lebanon, AFC has been relatively inactive this year. The concern co-managed only a single bond issue in the first half of the year

The ending of the war raises the prospect of a gradual return of Beirut as an international financial centre. And with AFC and Al Saudi Banque both under his command Dr. Akhras launched into a new phase of activity.

Bayer expects to increase dividend as sales rise

BY GUY HAWTIN

FRANKFURT, Nov. 23.

BAYER, the West German chemical concern, is still leading the industry's recovery stakes. At the end of the first nine months it was still showing a higher rate of improvement—both in terms of profits and turnover—than its rivals Hoechst and BASF.

The comparison is not entirely a fair one. Bayer has a far greater proportion of its investment abroad than either of the other two giant chemicals concerns and, although all three groups are strongly export-orientated, Bayer is the most dependent on its overseas sales.

Professor Herbert Gruenewald, chairman of Bayer's executive Board, to-day disclosed that the group was planning to increase its dividend, which for 1975 was cut from DM8.50 per DM50 nominal share to DM7. He would give no indication of the likely size of the rise, saying that much depended on performance in the final quarter.

Bayer's world turnover during the first three quarters went up by 21.7 per cent. to DM15.87bn. (£3.99bn.). In the same period of 1975, the turnover figure of DM13.04bn. was 10 per cent. lower than in the comparable nine months of 1974.

Bayer AG, the West German parent concern, showed an even higher percentage sales rise. Turnover during the nine months went up by 24.2 per cent., from DM5.89bn. in the opening three quarters of last year to DM7.32bn. (£1.84bn.). The 1975 figure lay 20 per cent. below the turnover recorded in the same period of 1974.

The improvement in earnings is even more impressive. Group pre-tax earnings totalled DM904m. (£227.1m.)—153.2 per cent. up on the DM357m. recorded in the comparable months of 1975, which lay 70.9 per cent. beneath the 1974 performance. Bayer AG's pre-tax profits were 107.9 per cent. up at DM630m., considerably better than the previous year's DM303m. which was 59.5 per cent. down on the performance in 1974.

Like BASF and Hoechst, Bayer, whose return on turnover still appears to be a little below that of its two rivals, is

Dr. Herbert Gruenewald

still operating at well below 1974's vintage levels of profitability. However, Dr. Gruenewald said that 1976 had gone a good deal better than had been expected a year ago.

Much uncertainty still remained, but 1976 had seen what appeared to be a return to the long-term growth trend apparent before the 1975 recession. Turnover for the full year was expected to be around the DM21bn. mark, but earnings would still be hit by the burden of the heavy price increases that had come in since 1974.

Figures for the third quarter, said Dr. Gruenewald, had been adversely affected by the traditional summer downturn. The chemical industry, which had shown a faster rate of recovery than manufacturing industry as a whole, had also experienced a steeper summer downturn.

The fourth quarter of the year was normally a much stronger one than the third. It was hoped that this pattern would be repeated.

Bayer's world turnover breakdown remained virtually unchanged from 1975. Domestic West German business accounted for some 30 per cent. of turnover, while the remaining 70 per cent. was generated by exports and foreign subsidiaries.

In the export field, Bayer AG had encountered severe problems with the decline in value of lira, sterling and the French franc. Coupled with this, the D-mark had strengthened substantially. National regulations, such as import deposits and price controls, had in many instances left little room for Bayer to recoup on declines in currency values.

Investment during 1976 would remain at about DM1.7bn., said Dr. Gruenewald. However, he indicated that a far greater proportion of it than in the past was going towards rationalisation measures and the modernisation of existing plant instead of the construction of new production capacity.

Bayer, he said, remained optimistic about its prospects in 1977. The fight against unemployment both in the U.S. and Western Europe was expected to stimulate demand. However, the creation of new jobs in the group could only be expected if there were signs of a longer term improvement in business.

The group was expecting in 1977 another "normal year" in line with the established growth trend. At the current time, volume turnover was expected to go up by about 6 per cent. A new increase in the oil price could, however, cause setbacks.

Passenger rise checks SAS profit downturn

By John Walker

STOCKHOLM, Nov. 23.

SCANDINAVIAN AIRLINES (SAS) has reported a preliminary pre-tax profit for the year ending September, 1976, of Kr.42m. (£6m.) compared with Kr.70m. during the previous year. Mr. Knut Hagrup, the airline's managing director, said this was a marginal profit but it was still gratifying under the present circumstances. A year ago Mr. Hagrup warned that the aviation industry would not reach a satisfactory profit level before the world economy improved, and that SAS faced a difficult two years.

A major factor contributing to the year's result was the 9 per cent. increase in revenue passenger-kilometres, which was achieved with basically the same number of employees as last year.

Of the year's profit, Kr.35.3m. was earned from the current activities of the airline compared with Kr.33.7m. at the same time last year. The sales of flight equipment, net of extra-ordinary items, accounted for Kr.6.7m., compared with Kr.36.6m. last year.

The total operating revenue for 1975-76 amounted to Kr.4.8bn. (£697m.), compared with Kr.4.1bn. in the previous year. Total operating costs rose to Kr.4.5bn. (£643m.) from Kr.3.9bn. in the previous year. Depreciation charges amounted to Kr.294m., marginally up on the previous year's figure of Kr.284m.

Capacity during the year increased 6 per cent. In terms of ton-kilometres, while system-wide traffic in revenue ton-kilometres rose by 8 per cent. The load factor improved from 52.5 to 53.4 per cent. Revenue passenger-kilometres rose by 9 per cent., with the number of passengers increasing by 7 per cent. to 7.1m.

Turnover slump at Mannesmann hits all major product areas

BY ADRIAN DICKS

BONN, Nov. 23.

MANNESMANN, the West German pipe manufacturer and plant construction group, reported to-day that in spite of reduced turnover in most areas of its business during the first nine months of 1976, profits had been satisfactory, although considerably down on the same period of 1975.

The company reported to-day that the increase in demand experienced earlier this year had not been sustained during the third quarter, and that no effective improvement should be expected in the near future.

A slowing down of the pace of economic activity in the third quarter appears to have affected Mannesmann in all its major product areas. Total turnover declined by 13 per cent. from DM9.6bn. (£2.4bn.) in the first nine months of 1975 to DM8.4bn. Within this figure, exports declined from 61 per cent. to 54 per cent.

In the steel pipe and tubing side of Mannesmann's business, demand slowed down following the completion of stock rebuilding. Sales of high-quality tubes were hit by delays in the authorisation of nuclear power projects, while orders from the oil industry also remained weak. Among major customers, only demand from the motor industry showed some improvement.

Orders for machine tools and plant construction reflected the overall pattern of industrial demand for capital equipment, the company reported. A number of major orders were received from the steel and electricity generating industries, but the satisfactory trend of new orders from the building, compressed air and plastics manufacturing industries registered in the first half of the year was not maintained.

The Demag Group, specialising in metallurgical engineering, materials handling, compressor and other types of machinery, had 25 per cent. fewer orders than during the first nine months of 1975. Another subsidiary, Lohmann and Stolterfoht, suffered from the contraction of orders in the shipbuilding industry.

Other branches of Mannesmann, however, including the precision engineering division and the Rexroth group, specialising in hydraulic equipment, registered an increase in business.

The Mannesmann Group itself invested some DM400m. inside West Germany during the first nine months, or about one-third more than during the same period of 1975. Total manpower remained virtually the same as last year, although short-time working has had to be introduced in some of the group's tube and pipe making factories.

Neckermann suspended

Dealings in Neckermann shares were suspended on West German stock exchanges yesterday, Guy Hawtin writes from Frankfurt. The decision was taken as the ailing mail order and retailing group started its talks with the Karstadt Group to work out the concrete details of their link-up.

Delden looks for over 14% sales rise

By Guy Hawtin

FRANKFURT, Nov. 23.

WEST GERMANY'S textile industry has just gone through one of its most difficult years, according to one of the country's leading textile men. Manufacturers are facing stiff competition both in the home and overseas markets.

Herr Gerrit van Delden Jr., an executive director of the Delden Group, reported that the concern had done better than most in an industry that has been in recession for most of the decade. Compared with many of its competitors, Delden has been showing an above-average improvement on 1975's performance.

The Delden Group—now the industry's largest, following the collapse of the Gloeggler Empire—has shown a turnover increase of about 14 per cent. during 1976. Herr van Delden said that sales were likely to total about DM775m. (£195m.) compared with 1975's DM678m.

This estimate, however, could be somewhat on the conservative side. Herr van Delden said that as business developed positively in the final two months of the year, turnover could well emerge ahead of estimates.

On the yarn spinning side, output was expected to total 34m. kilos—10 per cent. up on the previous year's statistics. Cloth production was likely to better the previous year's performance by 20 per cent. to reach 90m. metres.

The industry still has considerable difficulties and the Delden Group has not been alone in feeling increases both in wage and raw materials costs. It has not been possible to pass the full effects on to the customer because of the "miserable development" of prices.

Philip Morris expansion

By John Wicks

ZURICH, Nov. 23.

THE PHILIP Morris concern, which already has an 8 per cent. share in the 3.8-trillion world cigarette market, intends to continue its non-U.S. expansion. According to R. William Murray, the Swiss-based president of the group's European, Middle East and African operation, Philip Morris believes it can become a major factor in important foreign markets in which it now has only a relatively small stake.

Between 1966 and last year, Philip Morris International recorded an average annual compounded growth of 23.5 per cent. in consolidated operating revenues. By 1975, operating income of the international division had reached $113m., or 23 per cent. of total earnings.

As the most recent step in foreign expansion, the company has signed a licence agreement with the East German Tobacco Corporation for the manufacture and marketing of Marlboro cigarettes, starting early next year. This follows similar agreements effected for Marlboro cigarettes in Poland and Bulgaria and for the special brand, "Apollo-Soyuz," in the Soviet Union, all of these selling as premium brands. Philip Morris sees considerable potential in the Eastern European area, which already accounts for about 16 per cent. of the entire world cigarette market.

EUROMARKETS

The easier trend in spreads

BY TONY HAWKINS

THIS WEEK'S announcement that the EEC is to borrow $500m. in the Eurocurrency market with the issue of a five-year credit on a spread of less than 1 per cent. represents a major breakthrough in the form of a lower cost of medium term borrowing. The fact that the story broke only hours after a leading U.S. banker had expressed the view that a spread of 1¼ per cent. above Libor (London interbank offered rate) was a realistic minimum, emphasises the importance of this development.

For at least some bankers the sight of spreads of less than 1 per cent. represents a return to the bad days of 1974, when margins were pared to disastrously low levels as banks competed for new business. Clearly, there is no enthusiasm for a return to this kind of competitive rate depreciation. At the same time, the fundamentals of the situation are such that a downward shift in spreads was inevitable. Domestic loan demand in the U.S. remains at low levels and banks are overly liquid. Accordingly, they are prepared to look at spreads which, in times of more buoyant domestic U.S. demand, they simply would not contemplate.

In the market it is believed that the terms for the EEC credit will be a spread of ⅞ per cent. or 1 per cent. Bankers are simply reluctant to believe that the rate can go as low as ⅞ per cent.

At the same time, bankers emphasise that spreads are not merely a reflection of market conditions as a whole — and domestic market conditions in the U.S. in particular. Instead, spreads, they say, cannot be uniformly determined and must reflect the creditworthiness or otherwise of individual borrowers. This means that while spreads for prime borrowers may drift down, those for less developed countries and some "overborrowed" industrialised nations may well move up.

One bankers says that it is quite wrong to try to specify a minimum rate level. He argues that the EEC credit should be priced at the 1 per cent. level, but stresses that there is such a multiplicity of considerations to be taken into account that to attach any mystical importance to a 1½ per cent. spread (as for the Venezuela deal this year) is misleading.

Another banker took the view that after their recent fall, spreads will now stabilise. No one wants a return to the 1974-75 situation, he said.

Reflecting the easier trend in spreads, the seven-year $250m. credit for Egypt is now being priced on a spread of 1⅝ (as against the 1¾ per cent. previously announced). A Swedish deal, now under negotiation, may come at a spread of ⅞ per cent., while the size of the Denmark issue, having been raised from $300m. to $350m. may be increased again to $400m.

But the spread on a new Russian deal for the International Bank for Economic Co-operation of Moscow does not reflect this trend. The spread for this $200m. five-year deal is 1½ per cent. with Bank of America and Toronto Dominion Bank as lead managers.

Banco Urquijo raises $25m.

BY TONY HAWKINS

BANCO URQUIJO International NV is to raise $25m. in the Eurobond market with a five-year floating rate note issue. The coupon will be ¼ per cent. above Libor (London interbank offered rate) with a minimum of 7¼ per cent. and the notes are guaranteed by the parent company, Banco Urquijo. Lead managers are Credit Suisse White Weld and Banco Urquijo Hispano Americano.

S. G. Warburg and Co. is lead manager for a $30m. seven-year guaranteed bond issue for IU Overseas Finance NV on an indicated coupon of 9 per cent., payable annually. Other members of the management group are Hambros Bank, Banque de Paris et des Pays-Bas, Credit Suisse White Weld and Westdeutsche Landesbank.

IU—International Utilities—is listed on the New York Exchange and is coming to the Eurobond market for the fourth time in 10 years. Pricing is on December 2.

Final terms have been fixed for the Jusco equity issue of

BONTRADE INDEX

	Tuesday	Monday
Medium	101.37	101.52
Long	93.15	92.94
Convertible	104.93	104.44

Earnings hit at Simmonds

The effect on production of the transfer of manufacturing operations at Cedar Knolls, New Jersey, has brought a downgrading of the forecast for 1976 from Simmonds Precision, the U.S. instrument, engine and control systems maker, reports Terry Byland.

Mr. Geoffrey Simmonds, the chairman and chief executive, said in London yesterday that the group now expects earnings to remain "flat" at around last year's $1.2m. pre-tax or 77 cents a share. In March, earnings of around 87 cents appeared likely.

The bright spot this year has been the recovery in European operations, notably in Holland, where Simmonds Precision NV turned in a loss of $243,000 in 1975.

Simmonds is now actively seeking an acquisition in West Germany, where it has at present only a sales company.

The problems created by the Cedar Knolls move fell chiefly upon production of the flight control systems for the Harpoon antiship missile. But Mr. Simmonds was confident yesterday that these difficulties are now under control, adding that the group aims to produce 190 of the systems by the end of December.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1988	104½	105½
Australia 8½pc 1991	99¾	100¼
Bowater 9½pc 1996	103½	104
Can. N. Railway 8¾pc 1986	100¼	101
CNE 9½pc 1995	101½	102
Denmark 8¾pc 1984	98	98½
ECS 9½pc 1998	102	102½
EIB 8¾pc 1998	99¼	100½
ERAP 9½pc 1995	102½	103½
Esso 8pc 1986 Nov.	103½	104
Eurofima 8½pc 1983	101½	102½
Grangés 9½pc 1985	102½	103
ISE Canada 9½pc 1986	104	104½
Massey Ferguson 9½pc 1991	104½	105½
Michelin 9½pc 1988	101½	102½
Midland Int. Fin. 8½pc '86	97½	98
MODO 9pc 1984	97½	[illegible]
Nat. Westminster 9pc 1986	99½	100¼
Newfoundland 9½pc 1985	100½	101½
Norpipe 9½pc 1986	102	102½
Norsk Hydro 9pc 1991	[illegible]	[illegible]
Oslo 9pc 1988	100½	101½
Port Autonomes 9pc 1991	98	98½
Prov. Quebec 9pc 1984	101½	102
Quebec Hydro 9½pc 1986	98	98½
Prov. Saskatch. 8½pc 1986	101	101½
Skand. Enskilda 9pc 1991	99	99½
Volvo 9½pc 1985	102½	103½

NOTES	Bid	Offer
Australia 8½pc 1983	101	101½
Australia 8¾pc 1986	100½	101½
ECS 8¾pc 1981	102	102½
EEC 8¾pc 1982	100	100½

	Bid	Offer
Kockums 8pc 1983	98	98½
Michelin 8½pc 1983	100	100½
Montreal Urban 8½pc 1981	100	100½
Nacnl. Financiera 10pc '81	101½	102½
Natnl. Coal Board 8¾pc '81	100	100½
New Bruns. Prov. 8½pc '83	102	102½
New Zealand 8½pc 1986	99½	100½
Nippon Fudosan 9pc 1981	99	99½

FLOATING RATE NOTES	Bid	Offer
BFCE 6½ min. 1984	98½	99½
CNB 6½ min. 1982	[illegible]	[illegible]
B. Tokyo Hldg. 6½ min. '81	[illegible]	[illegible]
Midland Bank 7½ min. 1983	[illegible]	[illegible]

D-MARK BONDS	Bid	Offer
Beecham 8pc 1987	101	101½
EIB 8½pc 1986	98½	99½
Giro. Vienna 7½pc 1983	101	101½
New Zealand 7½pc 1986	104½	[illegible]
Pemex 8½pc 1987	99½	100½

Source: White, Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	82½	84½
Ashland 5pc 1988	94	95
Beatrice Foods 4¼pc 1992	100½	101½
Beatrice Foods 4½pc 1992	118½	120½
Borden 5pc 1992	102½	104½
Broadway Hale 4½pc 1987	78½	80½
Canon Camera 7½pc 1989	166	165
Carnation 4pc 1987	84½	86½
Chevron 5pc 1988	111	113
Dart 4¾pc 1987	85½	87½
Eastman Kodak 4½pc 1988	105	107
Economic Labs 4½pc 1987	77	79
Fed. Dept. Stores 4½pc '85	119	121
Firestone 5pc 1988	86	88
Ford 6pc 1986	94	96
Ford 5pc 1988	85½	87½
General Electric 4¼pc 1987	83	85
Gillette 4¾pc 1987	73	75
Gould 5pc 1987	102½	104½
Gulf and Western 5pc 1988	90½	92½
Harris 5pc 1992	95	97
Honeywell 6pc 1986	83	85
ITT 4½pc 1987	[illegible]	[illegible]
Komatsu 7½pc 1990	98	100
J. Ray McDermott 4¾pc '87	[illegible]	[illegible]
Mitsubishi Elec. 7½pc 1991	102	[illegible]
Mitsui 7½pc 1990	101	103
J. P. Morgan 4¾pc 1987	105½	107½
Nabisco 5½pc 1988	95	97
Owens Illinois 4½pc 1987	113	115
J. C. Penney 4½pc 1987	[illegible]	[illegible]
Pioneer 6pc 1989	[illegible]	[illegible]
Raymond 8½pc 1989	102½	[illegible]
Revlon 4½pc 1987	110	112
Reynolds Metals 5pc 1988	[illegible]	[illegible]
Sperry Rand 4¼pc 1987	94	96
Squibb 4½pc 1987	77½	79
Texaco 4¾pc 1988	77	79
Toshiba 6½pc 1990	103½	105
Union Carbide 4¾pc 1982	104½	106½
Warner Lambert 4½pc 1987	79½	81½
Warner Lambert 4¾pc 1988	76½	78½
Xerox 5pc 1988	78	80

Source: Kidder, Peabody Securities

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Easier trend on early profit-taking

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 23.

AN EASIER trend prevailed on Wall Street to-day, following some profit-taking and also some uncertainty owing to the five day postponement of the OPEC Oil Price Fixing Conference.

At 1 p.m. the Dow Jones Industrial Average was off 2.41 at 953.46, after 951.38, and the NYSE All Common Index shed 15 cents to $54.82, while declines held a modest lead over advances. Trading volume further decreased 920,000 shares to 10.62m., compared with 1 p.m. yesterday.

Closing prices and market reports were not available for this edition.

Bethlehem Steel lost $¾ to $36⅜—fourth quarter sales and earnings could trail those of the third quarter and it expects lower fourth quarter steel deliveries.

But National Mine Service added $1⅛ at $20⅜, Overseas Shipholding $1 at $20⅞, Emery Air Freight $1 at $38⅞ and General Dynamics $1¼ at $54.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Kaufman and Broad	240,100	9⅜	−⅛
Amer. Tel. and Tel.	230,900	62⅛	+⅜
Occidental Petrlm.	190,300	19⅞	−⅛
Texaco	160,500	26⅜	+⅛
Intnl. Tel. and Tel.	152,300	32⅞	+⅜
Chrysler	151,700	20	+⅛
Southern Co.	150,200	15⅞	−⅛
Gulf Oil	148,500	28⅜	+⅛
Lanvoro	146,100	29⅞	−⅛
Tandy	146,100	38⅛	−⅜

Merck shed $1 to $66⅞.

Georgia-Pacific gave way $1⅞ to $35½—it is now recalling its 6¼ per cent. Convertible Subordinated Debentures, due 2000.

Inco slipped $⅞ to $29—it will grant an allowance on firm orders for the first quarter of 1977 for nickel oxide sinter 75 and incomet nickel.

Union Camp rose $1 to $64½, Hanna Mining $1 to $48½ and Foxboro $1⅛ to $49⅞.

Combustion Engineering put on $½ to $44—a division received an order from the Turkish Government Pulp and Paper Company to supply a thermo-mechanical pumping system for a newsprint mill.

Eastern Airlines edged up $¼ to $8⅞, following a reduced loss for October and "flat" earnings for the first 10 months.

THE AMERICAN SE Market Value Index dipped 0.14 to 100.10 and declines held a small lead over advances. Volume increased 50,000 shares to 1.30m., compared with 1 p.m. yesterday.

OTHER MARKETS

Canada down

Canadian Stock Markets gave ground in light trading yesterday morning, with only Golds, up 0.31 at 291.37 on index, moving against the general trend.

The Industrial Share Index shed 1.63 at 166.61, Base Metals 1.17 at 77.21, Western Oils 0.28 at 201.61, Utilities 0.66 at 136.53, Banks 1.80 at 229.18 and Papers 0.20 at 104.58.

Algoma Steel dropped $¾ to $19½, Steel of Canada $¼ to $23, and Dofasco $⅛ to $23⅛.

Falconbridge Nickel at $32 and Asbestos at $23½ were each off $¾. INCO declined $⅞ to $28⅞, Noranda shed $¼ to $29½ and Cominco eased $⅜ to $34⅛.

PARIS—*Slightly higher in quiet trading*, mostly attributed to technical adjustments on the first day of the new Account.

Engineerings and Hotels, however, lost ground, but good advances were seen in Banks, Foodstuffs, Constructions, Electricals, Metals and Chemicals.

Foreign shares were generally firmer, except for Coppers which were mixed.

BRUSSELS—Mixed after slow trading.

Steels eased, Non-Ferrous Metals were irregular. Electricals and Utilities firmed, Chemicals finished little changed. Oils improved, while Holdings were higher.

U.S. shares advanced. South African Gold Mines gained modestly. Dutch and German issues firm. French stocks steady.

AMSTERDAM—Markets turned firm after a generally lower opening.

Akzo further improved Fl1.1 to *27.9 on its expectation of Enka* returning to profit next year if further streamlining is achieved.

Banks declined. Insurances rose moderately while Transportations were mixed, Holland America Line Holding moved up Fl.1.90, KNSM Group Fl.0.30 and KLM Fl.1.40, but Shipping Union shed Fl.0.50.

Dutch Industrials rose slightly over a broad front.

GERMANY—Prices rose on continued Investment Funds buying. Banks and Chemicals were again sought.

Siemens moved up DM4.3 to 256.5 on good demand. Some Steels gained up to DM6.30, while Motors were just steady. VW firmed DM 0.70 to 138.20.

Neckermann were suspended from trading until the terms of the merger with Karstadt are clarified. Brokers said offers were in the DM60 range for Neckermann because of a feared capital reduction, while Karstadt were lifted DM8 to 346.

Adlerwerke jumped DM18 to 423 on talk that Litton Industries of the U.S., which owns 82 per cent. through its Triumph subsidiary, would buy out the remaining portion.

Public issues gained up to DM0.50 and the Regulating Authorities sold DM2m. nominal of stock. Foreign Mark Loans were weaker.

MILAN—Lower over a broad front in moderately active trading.

Montedison, however, firmed L3.5 to 320.5.

Bonds were steady in quiet trading.

OSLO—Industrials were mixed, Insurances quiet, while Shippings and Bankings were barely steady.

VIENNA—Generally firm on selective demand.

COPENHAGEN—All sectors lower.

SWITZERLAND — Narrowly mixed in quiet trading.

Major Banks were little changed, as were Industrials.

Dollar stocks rose in a rather active turnover. Dutch Internationals were very steady, while Germans firmed, led by Chemicals which gained on considerable forward buying.

HONG KONG—Again easier in quiet trading.

China Engineers, which is rarely traded, rose 30 cents to $HK10.90 on some speculation over the question of Board control at its parent Sime Darby, unchanged at $HK6.55.

Hong Kong Bank lost 10 cents to $HK17.90 and Wheelock Marden 2½ cents to $HK2.625.

TOKYO — Closed yesterday—National Holiday.

JOHANNESBURG—Gold shares closed quietly steady at higher levels, with some isolated movements off the top following small bouts of profit-taking.

Financial Minings were off the best, Coppers were steady to slightly firmer.

Collieries were off the top, while Industrials were virtually unchanged.

AUSTRALIA—Markets moved down to another 1976 low as a result of selling inspired by the 2.2 per cent. wage increase for all workers.

Most major groups declined, particularly Labour intensive stocks following Government warnings that the wage decision of the Arbitration Commission would add $A220m. to the quartely wages bill.

BHP, the largest private employer, fell 18 cents to $A6.24, a new low for the year.

Mining Heavyweights lost ground and uraniums were again out of favour.

Pancontinental dipped 30 cents to $A8, Central Norseman 13 cents to $A1.80, and Queensland Mines 5 cents to $A1.70.

Pound nervous

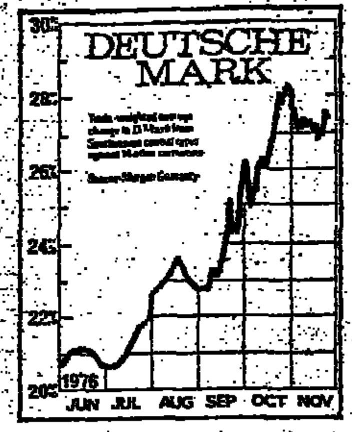
Sterling continued to fluctuate throughout a fairly wide range in the foreign exchange market yesterday. It remained weak in early dealings reflecting the lower trend in U.K. interest rates and doubts about the Government's willingness to accept the economic measures necessary to meet International Monetary Fund conditions for the proposed loan. Fears about possible industrial action by miners over the question of early retirement also contributed to the pound's early weakness.

It opened at $1.6425 and touched a *low point of $1.6323 in the* morning. Buying from New York helped sterling to recover in the afternoon to a best level of $1.6565-$1.6575, before news that the National Union of Miners is to ballot its members on industrial action pushed it down to close at $1.6440-1.6460, a fall of 10 points on the day.

The pound's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, narrowed to 45.4 per cent. from 45.7 per cent., but this did not take account of the currency's late fall. It stood at 46 per cent. at noon

The dollar showed little change on balance against most major European currencies, after declining in the morning. Its trade-weighted depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, narrowed sharply to 1.81 per cent. from 2.95 per cent., but this largely reflects the fall of the Canadian dollar. The Canadian unit has lost ground following the cut in Bank Rate on Monday and the recent victory of the separatist party in the Quebec elections.

Gold fell $1½ to $132¼-133¼. The krugerrand's premium over its gold content widened to 2.82 per cent. from 2.42 per cent. for domestic delivery, and to 3.58 per cent. from 3.17 per cent. in the international market.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Nov. 22	Nov. 19
Sterling	5.692869	0.686851
U.S. dollar	1.15664	1.15494
Belgian franc	42.5557	42.8021
Deutschemark	2.78124	2.39253
French franc	5.77048	5.78567
Italian lira	1000.81	999.427
Japanese yen	341.905	341.112
Dutch guilder	2.89854	2.91911
Swedish krone	4.84906	4.87558
Swiss franc	2.81572	2.82429

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

GOLD MARKET

	Nov. 23	Nov. 22
Gold Bullion (a fine ounce)		
Close	$132¼-133¼	$133¾-134¼
Opening	$134-135	$132-133
Morning fixing	$134.15 [illegible]	$132.75 [illegible]
Afternoon fixing	$133.45 [illegible]	$133.30 [illegible]
Gold Coins domestically		
Krugerrand	[illegible]	[illegible]
New Sov'rgns	[illegible]	[illegible]
Old Sov'rgns	[illegible]	[illegible]
Gold Coins internationally		
Krugerrand	[illegible]	[illegible]
New Sov'rgns	[illegible]	[illegible]
Old Sov'rgns	[illegible]	[illegible]
$20 Eagles	[illegible]	[illegible]
$10 Eagles	[illegible]	[illegible]
$5 Eagles	[illegible]	[illegible]

FOREIGN EXCHANGES

Nov. 23 1976	Bank Rates %	Day's Spread	Close
New York	5½	[illegible]	1.6440-1.6460
Montreal	8	[illegible]	[illegible]
Amsterdam	7	[illegible]	[illegible]
Brussels	9	[illegible]	[illegible]
Copenhagen	11	[illegible]	[illegible]
Frankfurt	3½	[illegible]	[illegible]
Lisbon	6½	[illegible]	[illegible]
Madrid	7	[illegible]	[illegible]
Milan	15	[illegible]	[illegible]
Oslo	6	[illegible]	[illegible]
Paris	10½	[illegible]	[illegible]
Stockholm	8	[illegible]	[illegible]
Tokyo	6½	[illegible]	[illegible]
Vienna	4	[illegible]	[illegible]
Zurich	2	[illegible]	[illegible]

* Basic discount. † Rates given are for convertible francs. Financial franc 60.29-60.49.

OTHER MARKETS

[illegible]

FORWARD RATES

[illegible]

EXCHANGE CROSS-RATES

Nov. 23	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkf'rt	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N. York	41.67-69	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paris	207.79-19	4.978-988	—	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]
Am'rd'm	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	102.75-80
Zurich	101.35-40	[illegible]	49.75-78	[illegible]	[illegible]	97.30-38	—

U.S.$ in Montreal. U.S.$=99.02-04 Canadian cents.
Canadian $ in New York. C$=101.90-92 U.S. cents. U.S.$ in Milan 865.10-865.40.
Sterling in Milan 1422.75-1424.25. ‡ Rates for Nov. 22.

EURO-CURRENCY INTEREST RATES*

Nov. 23 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	16-17	4⅝-4⅞	8-9	6½-7	4¾-5	1⅛-1⅞
7 days notice	17-17½	4⅝-4⅞	8¼-9¼	6½-7	4¾-5	[illegible]
Month	16⅞-17⅝	4⅞-4⅝	8½-8¾	7¼-7½	[illegible]	[illegible]
Three months	16⅝-17⅛	5-5¼	8¾	7⅛-7⅝	[illegible]	[illegible]
Six months	[illegible]	5-5¼	8½-8¾	7⅛-7⅝	[illegible]	[illegible]
One year	15⅜-15⅞	5⅝-5⅞	8½-8¾	6⅞-7⅜	[illegible]	2⅞-3

Euro-French deposit rates: two-day 10¼-10¾ per cent.; seven-day 10¼-10¾ per cent.; one-month 10¾-11¼ per cent.; three-month 11¾-12¼ per cent.; six-month 12¾-13¼ per cent.; one year 11¾-12¼ per cent.

Longer-term Eurodollar deposits: two years 6¾-6⅞ per cent.; three years 7⅛-7⅜ per cent.; four years 7¼-7½ per cent.; five years 8¼-8½ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 4¼-4½ per cent.; three-month 4¾-5 per cent.; six-month 5 1/16-5 5/16 per cent.; one year 5¼-5½ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-days' notice for guilders and Swiss francs

Indices

NEW YORK —DOW JONES

	Nov. 22	Nov. 19	Nov. 18	Nov. 17	Nov. 16	Nov. 15	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	955.87	948.80	950.13	938.08	935.54	935.42	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home B'nds*	90.25	90.29	90.09	89.97	89.90	89.79	90.29 (19/11)	85.68 (15/7)	—	—
Transport	225.74	221.90	221.89	218.40	215.44	212.85	[illegible] (14/7)	175.6 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	101.10	100.24	100.40	99.05	98.45	98.86	101.10 (22/11)	84.8 (26/6)	163.32 (20/4/65)	10.58 (28/4/42)
Trading vol 000's	20,950	24,550	24,000	19,900	21,020	18,710	—	—	—	—

* Basis of index changed from July 1.

	Nov. 22	Nov. 15	Nov. 5	Year ago (approx.)
Ind. div. yield %	4.24	4.35	4.07	4.49

STANDARDS AND POORS

	Nov. 22	Nov. 19	Nov. 18	Nov. 17	Nov. 16	Nov. 15	1976 High	1976 Low	Since compilation High	Since compilation Low
*Industrials	114.61	115.77	113.74	112.80	111.68	111.55	120.8 (21/9)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
†Composite	102.59	101.92	101.89	100.61	100.04	99.90	107.83 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Nov. 17	Nov. 10	Nov. 3	Year ago (approx.)
Ind. div. yield %	3.84	3.89	3.76	3.73
Ind. P/E Ratio	11.35	11.14	11.53	11.84
Long Govt. Bond yield	5.36	5.36	6.39	6.14

N.Y.S.E. ALL COMMON

Nov. 22	Nov. 19	Nov. 18	Nov. 17	1976 High	1976 Low
54.97	54.61	54.55	53.95	57.51 (1/8/76)	47.08 (2/1/76)

Rises and Falls	Nov. 22
Issues Traded—1,912	Up—1051
Down—447	Same—414
New Highs 89	New Lows 15

	Nov. 22	Nov. 19	Nov. 18	Nov. 17	1976 High	1976 Low
MONTREAL Industrial	167.48	167.81	167.03	164.84	207.55 (19/3)	164.84 (17/11)
Combined	168.52	165.60	162.44	165.59	198.78 (20/5)	162.44 (18/11)
TORONTO Industrial	168.24	168.61	167.72	164.97	197.45 (20/2)	164.97 (17/11)
JOHANNESBURG Gold	176.0	174.7	170.7	176.6	226.7 (12/5)	115.5 (25/8)
Industrials	174.0	174.3	174.3	175.9	216.0 (21/5)	173.9 (17/11)

	Nov. 23	Previous	1976 High	1976 Low
Australia (a)	407.47	412.19	522.66 (19/8)	407.47 (23/11)
Belgium (b)	91.61	90.96	113.18 (5/2)	87.12 (2/11)
Denmark (d)	98.95	100.14	117.70 (19/8)	98.95 (23/11)
France (e)	52.7	52.8	74.5 (5/5)	52.5 (26/10)
Germany (f)	721.9	713.5	821.7 (17/3)	687.7 (29/10)
Holland (g)	84.8	84.2	103.3 (6/2)	77.9 (13/10)
Hongkong (h)	387.14	388.71	465.33 (17/3)	324.86 (2/1)
Italy (k)	70.78	71.04	91.57 (23/2)	64.95 (10/11)
Japan‡ (m)	(c)	344.72	359.61 (1/9)	326.2 (5/1)
Singapore (n)	347.53	345.06	386.16 (3/3)	236.3 (2/1)
Spain (p)	79.47	81.33	100.79 (7/5)	72.22 (11/11)
Sweden (q)	394.70	399.12	476.85 (10/5)	366.51 (5/11)
Switz'rl'd (r)	283.4	283.8	298.6 (12/5)	260.5 (15/11)

Indices and base dates (all base values 100 except NYSE All Common—50 and Standards and Poors 10). (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. Φ Frs.500 denom. unless otherwise stated. ‡ Yen 50 denom. unless otherwise stated. § Price at time of suspension. *a* Florins. *b* Shillings. *c* Cents. *d* Dividend after pending rights and/or scrip issue. *e* Per share. *f* Francs. *g* Gross div. %. *h* Assumed dividend after scrip and/or rights issue. *k* After local taxes. *m* % tax free. *n* Francs, including Unilac div. *p* Nom. *q* Share split. *s* Div. and yield exclude special payment. *t* Indicated div. *u* Unofficial trading. *v* Minority holders only. *y* Merger pending. * Asked. † Bid. § Traded. ‡ Seller. *z* Assumed. *xr* Ex rights. *xd* Ex dividend. *xc* Ex scrip issue. *xa* Ex all. Δ Interim since increased.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—120¼% (121¼%)

NEW YORK

Stock	Nov. 22	Nov. 19
Abbot Labs	49½	49
Addressograph	10⅛	10⅞
Aetna Life & Cas	35	34½
Corning Glass	70⅜	67½
CPC Int'nation'l	43⅝	43¾
Crane	25¼	26¼
Crocker Nat.	24⅞	24¾
Crown Zellerbach	44⅝	44½
Cummins Engine	42¾	42¾
Johns Manville	34⅝	34¼
Johnson Johnson	80⅜	80
Johnson Control	24½	24⅜
Joy Manufactu'g	43⅝	43⅞
Kaiser Alumin'm	31½	31¼
Republic Steel	30¾	30⅝
Revlon	43⅝	43
Reynolds Metals	37⅛	36⅝
Reynolds R. J.	65⅝	66⅜
Rich'sons Merrell	23⅜	23
Xerox	60	58¾
Zapata	11	11
Zenith Radio	26⅝	26⅞
Chile 5% 1993	91½	†91½
U.S. Treas 4% 1980	†94¼	†94½
[illegible]	[illegible]	[illegible]

CANADA

[illegible]

GERMANY ◆

Nov. 23	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	81.5	+0.7	—	—
Allianz Versich.	384	+6	18	2.4
B.M.W.	210.5	+1.5	18	4.3
B.A.S.F.	155.8	+3.2	14	4.5
Bayer	134.6	+2.5	14	5.2
Bayer Hypo	286	+7	20	3.5
Bayer Vereinsbk.	288.5	+5.5	20	2.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Nov. 23	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	499	−7	—	—
ANIC	399	−12	—	—
Assicur. Fin.	3,001		120	4.5
Bastogi	909	−11	—	—
Breda	1,980	−20	166	7.6
Burgo	450	+20	—	—
Centrale	6,725	−95	—	—
CIGA	1,590	+170	—	—
Cocirini	4,980	+78	235	5.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Nov. 23	Aust. $	+ or −
ACMIL	†0.55	
Acrow Australia	†0.52	
Adelaide Brighton Cement	†1.12	+0.01
Allied Mining Trdg. Indus. $1	†1.50	
Ampol Exploration	†1.0	
Ampol Petroleum	†0.65	
Assoc. Minerals	†2.0	
Assoc. Pulp Paper $1	†0.72	
Assoc. Con. Industries	†1.51	+0.01
[illegible]	[illegible]	[illegible]

BRAZIL

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

PARIS

[illegible]

TOKYO

[illegible]

SWITZERLAND

[illegible]

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

AMSTERDAM

[illegible]

STOCKHOLM

[illegible]

COPENHAGEN

[illegible]

SPAIN ♥

[illegible]

OSLO

[illegible]

VIENNA

[illegible]

Ray Perman sets the scene for the great debate on Scottish devolution, due to begin in the Commons shortly.

Taking the high road to devolution

IN A FEW weeks the Commons will begin to debate the biggest constitutional change of the century. It will consider the Government's Bill to set up legislative assemblies in Edinburgh and Cardiff to take over a whole range of services that are now the responsibility of Westminster.

The future of the Government and even of the U.K. as an integral state could depend on the issue. Yet so far only a minority of MPs has taken more than a passing interest in devolution and there has been hardly any public discussion outside Scotland and Wales.

So the Devolution Bill, which will be published at the end of the month, will open a debate which could range far outside its clauses. There are expected to be few changes in the Bill from proposals already made by the Government in White Papers.

The devolution debate has been given a new edge by the demand from 78 Labour MPs, led by Mr. Neil Kinnock (Bedwelty) for a referendum. If, as has been widely canvassed, it asks not only about devolution, but also about independence, it will put the issue of the union between Scotland and England back on the national political agenda for the first time since 1707.

The Government may be forced to concede a referendum in order to win backing from its own MPs, and in that case the poll would probably be held in the summer after the Devolution Bill has passed through Parliament. Voting will probably be confined to Scotland and Wales.

Supporters of a referendum intend that it should give the Nationalists a bloody nose, by demonstrating that there is an overwhelming majority of Scots against independence from the rest of the U.K. But in order to laugh the Scottish National Party off the political stage, the vote in favour of independence would have to be very low.

Opinion polls suggest that it will be much higher than that and possibly as high as 20 per cent. of the electorate.

Buoyed by the Quebec results last week, which gave the Parti Québécois a majority in the Provincial Government, the SNP is eager for a fight. As long as the referendum question is neutrally worded (the party has decided to nullify the poll by campaigning for a "No" vote for independence if words like "separatism" or "isolationism" are used) it believes that a massive campaign will be able to push the vote to over 30 per cent. and "establish independence as the most attractive single option among the wide range of options open to the Scottish people."

The party will play up the considerable advantage of representing the poll as an offer from Westminster of self-government as soon as there is a majority in favour of it. Without the necessity of constitutional confrontation a psychological barrier will have been removed. It will also provide an opportunity to ask questions which have hitherto been avoided, such as: "If Scots vote for independence, do they get the oil?"

Once the precedent is established, there could be demands for further referenda. Donald Bain, the SNP research officer, has suggested that the Scottish Assembly could decide to hold polls on whether its own powers should be extended, over the oil revenues, for example.

The most radical White Paper proposals affect Scotland. A building is already being converted to house the Assembly, which will have about 150 members and will elect its own chief executive and executive members. They will control a budget in excess of £2bn. a year and be responsible for local government, health, social work, social security, education other than universities, science and the arts, housing, physical planning and the environment, roads and transport, development and industry, law and the courts.

The Bill is the major piece of legislation for the session and will take up half the time available to the Government. The second reading alone will take at least two days and the committee stage—all of which will be taken on the floor of the house—is expected to fill all of the remaining 28 days allotted to it. The Government is not over-confident about getting the measure onto the Statute Book.

Ministers involved with devolution have been making calculations about the likely voting since the spring. Despite a three-line whip, Labour cannot guarantee a full turnout in favour of the Bill, but it will be supported by the Liberals and the Nationalists. The Conservatives are committed to vote against, although a handful will vote for the Bill, and the Ulster Unionists will probably be split. Tory MPs may be allowed a free vote.

The eleven Scottish Nationalist MPs feel the Assembly is only a step on the road to independence.

With conference decisions from the Labour Party and the TUC overwhelmingly in favour (the Conservatives did not consider it worth a vote at their conference), the Government feels it will be able to bring enough of its recalcitrant back-benchers into line to secure a second reading.

Provided the Bill becomes law by the end of the session next summer, the first Assembly elections will be held in the spring of 1978.

But why are we having devolution at all? It is a difficult question to answer, particularly because recent opinion polls have shown that only about a quarter of Scottish voters want what the Government is proposing: the rest either want less—the status quo or an Assembly with fewer powers—or more—independence. For young people devolution was a low political priority, running behind unemployment and inflation.

The major parties have vied with each other over which has been committed to the idea longest. Labour can claim that Keir Hardie strongly supported a substantial measure of home rule for Scotland and Wales, but that overlooks the fact that the party in Scotland abandoned its founder's commitment in the late 1950s and was only dragged reluctantly back to it by the combined pressures of the leadership in London and the results of the 1974 election in Scotland.

It was in the intervening period that the Scottish National Party built up the strong base it now commands. The Government knows that to renege on its promises or fail to deliver would be like offering its head to be cut off by the SNP. Having been told they want devolution, the Scots would not lightly forgive now being told they cannot have it.

In an age of minority government, there is a lot at stake in Scotland. Of a total of 71 parliamentary constituencies, 17 returned MPs at the last General Election with a majority of 2,000 or less. The number of Labour MPs has fallen from a peak of 46 in 1966 to the present 41, Conservatives from 36 in 1955 to the present 16; and Liberals from the peak of five in 1966 to the present three. The SNP, on the other hand, has risen from a position of holding no seats in 1966, to now holding 11.

The Nationalist share of the vote has risen even more dramatically, from less than 1 per cent. in the 1950s to more than 30 per cent. at the October, 1974, General Election. Opinion polls this year have shown that the SNP, Labour and the Tories are running neck and neck.

A new factor in the next general election will be the Scottish Labour Party, formed by members of the official party who were dissatisfied with the Government's progress towards devolution. It has two MPs already, Mr. Jim Sillars (South Ayrshire) and Mr. John Robertson (Paisley), and plans to fight a number of key labour seats next time.

The party has to some extent been outdistanced by the Government's concessions of stronger powers for the Scottish Assembly made during the year, but may still have a significant effect in splitting the Labour vote to the advantage of the SNP.

When devolution was debated at the Labour Party conference in Blackpool last month, the first time it has appeared on the agenda of the National Party conference, there was only the most perfunctory of discussions and the chairman had to appeal to the mass of delegates streaming from the hall to the tea room to do so quietly.

The Conservative Party claims to have been committed to devolution since at least 1968, when Mr. Edward Heath made the "declaration of Perth," a pledge to the Scottish Tory conference meeting in that city that he would introduce it. Although maintaining that it is still committed "in principle," the party has now decided the Governments proposals go too far, in that they are unnecessarily bureaucratic and would create conflict between Edinburgh and Westminster, thus making more likely the break-up of the United Kingdom.

A number of leading Conservatives in Scotland believe that the distinction between voting against the Devolution Bill and being against devolution will prove too subtle for the Scottish voters and that the party will suffer accordingly at the next election. Mr. Heath is likely to be among Tory MPs who defy the party and vote for the Bill, as is Mr. Russell Fairgrieve, the Scottish Party chairman, and Mr. Alick Buchanan-Smith, Shadow Secretary of State for Scotland.

The Liberal commitment to devolution is probably the longest and they would like to see the Government go further and give Britain a federal system. But Liberals in Scotland have suffered from the rise of the SNP, which has attracted most of the protest voting against the two-party system

The Nationalists have no commitment to devolution at all, seeing the Assembly as merely a step on the road to Scottish independence. Since the 1974 elections, as the Government's advocacy of devolution has become stronger, so the SNP campaign for independence has become more forceful. But it has taken a policy decision not to wreck the Assembly by exploiting the conflict with London.

Under the guidance of its Executive Vice-Chairman (Policy), Miss Isobel Lindsay, the SNP has been formulating and adopting a whole range of policies for an independent Scotland covering industry, employment and industrial relations, health, finance, housing, foreign affairs and the relationship with England and the rest of the British Isles. Defence is among those still to come.

At the same time an advertising campaign has been explaining what the SNP sees as the benefits of independence, prosperity from oil revenues being the chief. The image being built up is of a small, well-balanced community, living in harmony with its neighbours, in contrast to the customs post and barbed-wire separatism conjured up by the SNP's opponents.

Negotiations for independence begin, as far as the party is concerned, as soon as it captures more than half the Scottish seats.

Most of the Nationalists' electoral gains so far have been at the expense of the Conservatives, but the SNP knows it must take on Labour in the industrial West of Scotland if it is to achieve power. It is there that the thrust of the nationalist campaign is now aimed.

ENTERTAINMENT GUIDE

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FINANCIAL TIMES REPORT
Wednesday November 24 1976

CALDERDALE

Grime turns to green

"THREE YEARS AGO. those hills were just black and brown, you couldn't get a blade of grass to grow on them. Now look how green they are," said the man *from the Halifax Building* Society, pointing through the window of the headquarters of the largest *building* society in the world.

We were looking out over the Halifax sky-line from the diamond - shaped building opened by the Queen two years ago. The green hills, a result of a clean-air policy which has rigorously controlled both *domestic smoke and industrial* pollution, themselves looked down over the industrial valley of Halifax, on the factory chimneys and the long terraces of stone houses.

But there have been other changes in the environment besides the grass which now grows above Halifax. The buildings themselves have been cleaned up, presenting themselves in a *state never seen before, for* even when they were first built by the time the last touches were put on the earlier parts were covered in familiar grime. To-day, the whole of the centre *of Halifax is a conservation* area, and its pride and joy is the newly restored Halifax Piece Hall, Calderdale's own Venetian Palace of a building, where manufacturers once sold cloth, *and where you can now buy* antiques and local crafts, or listen to an open-air concert.

Derelict

The sky-line of Halifax reflects the variety to be found elsewhere in Calderdale where moorland contrasts with derelict mills, new industrial buildings, with pleasant river valleys. Whole towns and villages in the metropolitan borough have been designated conservation areas, there is a new awareness of the tourist potential of places like Hebden Bridge and Heptonstall, and of the attraction of places like Ripponden and Sowerby Bridge as places to live. The eight towns and one rural district which combined in 1974 to make Calderdale, add up to a mixture of industrial heritage, and wild open countryside, which is immediately striking to the visitor.

The newly recognised attractions of the area are now being used by Calderdale Borough Council to attract industry again to what has been seen as a declining area. The setting up. *12 months* ago, of the Calderdale Economic Regeneration Advisory Committee was a sign of Calderdale's intention to pull itself up by its own bootstraps at a time when it feels its problems have been *overlooked* at both regional and national level.

Calderdale combines the problems of a dying textile industry (with the inherent problems of dereliction) with an ageing population. Its present unemployment *level* of 4 per cent., well below the national average, masks the fact that whereas the numbers unemployed nationally have only doubled since 1969, *in the Halifax* area, the numbers have multiplied five times. The apparently low unemployment rate, the borough *feels,* has misled regional and national authority to believe Calderdale has no problem.

While Calderdale has continued to have a high migration rate in the last 10 years, it has not been particularly helped at government level to encourage new industry to its doorstep to *replenish the hundreds of jobs* being lost in textiles. Similarly, it has seen commercial development drawn continually to the more prosperous and better-known cities of Leeds, Bradford *and Wakefield, where it has* some prime town centre sites to offer commercial development—as well as the company of the world's biggest building society.

What Calderdale has got to *offer industrialists and potential* developers is determination to make it as easy and as profitable for them to come to Calderdale as possible. This determination —and it is much more than a *gesture—is backed up by a reputation* in the area for labour which is hard-working, non-striking, and remarkably flexible in adapting to new job skills. In particular, there is a *large hidden pool of female* labour, much of it released by the declining textile industry, which could be used.

"The Committee for the Regeneration of Calderdale was established in order to get public participation in the council's drive for regeneration, to try and turn the corner in Calderdale," says Mr. Arthur Luke, Chief Executive for Calderdale. "We feared we were not getting sufficient priority given to our problems in Calderdale, and *that industrial and commercial* development was being encouraged to go to places where it would naturally take place anyway.

"We believe the rate of *migration in Calderdale* is finally slowing down, and we have had some recent successes to help us. What we very much want is to be able to give land to industrialists when they want it, and I am hoping soon that the council will say that any industrialist within or outside Calderdale who wants a site, or any developer who wants a commercial site, will be offered one *at reasonable terms.*"

This Report was written by Eileen Totten

The Committee for the Regeneration of Calderdale has representatives from the local *authority, local trades councils,* the Halifax Chamber of Commerce, and the four local MPs on it. It is seeking to refurbish and utilise industrial sites and buildings which are at present *run down and derelict,* as well as supplying a service to industrialists second to none in providing new sites with services, giving advice, helping planning decisions to be made quickly and *generally providing* good will. The notorious shortage of flat land in the borough, which means Calderdale cannot offer huge sites to firms, is being got over by a policy of *encouraging existing firms to expand* in Calderdale, and small firms to move in or start up here. There are 600 small firms with over 11 employees, involved in manufacturing in the area. "We don't follow the policy that big is beautiful," says Peter Burton, Industrial Development Officer.

Councillor J. Bradley, leader of the ruling Conservative Group, says he believes people in Calderdale are beginning themselves to believe change is in the air. "In the past we haven't had a good reputation. People have regarded Halifax as one of the old industrial towns that hasn't changed much."

"But there are two sides to the coin. In one sense, the town not having changed too much is a useful advertisement —we have some beautiful old buildings here. On the other hand, we are now trying to create a situation where industry can come in and use, most readily, modern facilities."

The team effort which Calderdale is trying to put in at present has resulted in recent successes *like Crosrol Limited,* the firm who make textile machinery, expanding on to a further 100,000 square feet in Halifax last year, and Todmorden recently achieving its first *new textile factory, that of* Heatherdale Fabrics, in the last 60 years. "What we are really trying to get now is more commercial development in Halifax in particular," says Mr. Luke. "I don't *really* think it's realistic to try for big commercial developments in other parts of the borough (except Brighouse which could take some on a smaller scale). But I believe we can't encourage commercial development here just by stopping success elsewhere. We have to win people over to come here voluntarily by offering them the facilities and reasonable terms."

Halifax has sites in its town centre, some of them two and three acres in size, which have already been allocated for new offies, extra shopping provision, and a hotel, when the developers can be found. The Regeneration Committee and Peter Burton in particular are now working hard to try to get that capital into Calderdale. "We've got the sites, the spare capacity in the road system, and the labour," Peter Burton points out. "But at present we haven't got the capital to get it going."

On Calderdale's side, apart from the determination and initiative of its councillors, local trade councils and Chamber of Commerce, and MPs, is the newly enhanced environment. Anyone who thinks of Halifax as just another dirty industrial town should take a look at its pride and joy, the Piece Hall, recently restored at a cost of £250,000.

Venue

The Piece Hall, the only remaining one of its kind in the country, was once used only as a place for the buying and selling of cloth—and then only at carefully designated times. Later, it became a venue for the great Sunday School Sings, when Anglicans and Methodists joined together in that other great tradition of these hillsides—making music. To-day, the splendid colonnades of the Piece Hall house an outdoor market two days a week, a permanent museum, art and craft shops, exhibitions, and public concerts and events, like a recent Tattoo.

The streets around the Piece Hall are *lined* with buildings, now listed for their architectural or historic merit. The streets themselves are becoming pedestrianised, and there is no fear that a great industrial heritage will be swept away as in other less fortunate towns and cities in the West Riding. Perhaps the fact that Halifax was overshadowed during the commercial boom of the late 1960s and early 1970s has meant it can capitalise on an attractive town centre—which still has room for prestige development in the future—whereas some of its rivals are saturated by office blocks.

Whatever the prospects for Calderdale's future, the leading figures in the borough and the organisations they represent, whether concerned with the local authority, with industry, trade or commerce, are determined people will hear about the prospects here and get the chance to make up their own minds about it.

The unique contrasts of the borough, with its mixture of industry and beauty, a good-sized town with smaller more rural communities, are in themselves an attraction to industrialists possibly by now jaded by the concrete environments offered by new towns and some of the larger cities.

Preserving its identity

CALDERDALE IS a combination of what were originally eight towns and one rural district, which until local government reorganisation in 1974 had distinct characters of their own. The character remains to-day, despite the common purpose being pursued by the new borough council, and the communities in the area offer distinctively different environments to the homeseeker.

The variety of private housing available is very wide. There are stone terraced houses, starting at about £5,000, *larger* Victorian detached and semi-detached houses from around £15,000, country cottages and *farmhouses ready for conversion* at reasonable prices, and an in*creasing number of* modern semi-detached and detached houses, being built on the edges of towns in the area. Some of these are priced as low as £7,000 to £8,000.

Of the older houses, most are built in stone, and the local authority is extremely helpful in providing improvement grants for such properties. These older houses, often in atmospheric settings, clinging to the hillside, out on the moors, or looking over open country, are attractively priced too. This part of the West Riding has among the lowest house prices in the country — and a low cost of living too.

There are a surprising amount of larger houses available to suit executives, particularly in country areas. Farms, cottages and barns have already been converted to desirable residences, though some still remain on the market in an unconverted condition, and go fairly cheaply. There are some very large country properties, nearly all with excellent views across open countryside and moorland, and these are much cheaper than in many parts of the country.

The Conservative-controlled council does not put a great emphasis on municipal housing, but instead has encouraged housing associations to build as much as possible, retaining the right to *nominate* at least 50 per cent. of the tenants, and often much more. Many of the older *houses in Halifax have also been* rehabilitated by the local authority, through stone-cleaning and renovation of the interiors.

The fact that Calderdale is one of the smallest metropolitan boroughs, and *that most of its* communities are themselves small, means that people can live in attractive rural surroundings, yet be less than a quarter of an hour's drive or bus ride from work. Each community, too, has its own identity and character, and the home seeker can choose the environment he prefers.

Scenery

Halifax is the largest town, with just under half the population of the whole borough, and provides some beautiful Victorian town houses, nearness to shopping, work, and many of the major events which take place in the borough. Hebden Bridge, to the west of Halifax, is also mainly industrial in nature but is surrounded by superb scenery and is the centre for the South Pennine Park. It has an outstanding industrial character of its own, houses which cling in tiers to the hillside, and above them rise wooded glens, making it a town of tempting contrasts.

Heptonstall, next to Hebden Bridge, is a beautifully preserved village, one of the oldest settlements in Calderdale. Here the ruins of a 13th century church stand in the churchyard of the present parish church, the streets are narrow and steep-winding between old stone houses. Ripponden, in the south of the borough, lies in the Ryburn Valley and is predominantly rural, though close to the M62 which has made it popular for homeseekers. Just up the valley, Sowerby Bridge, once the home of many rich clothiers, makes an attractive place to live — and nearby Luddenden has been made entirely a conservation area.

While housing is fairly plentiful in this area, much needs to be done to improve the internal road system in the borough, both for the domestic

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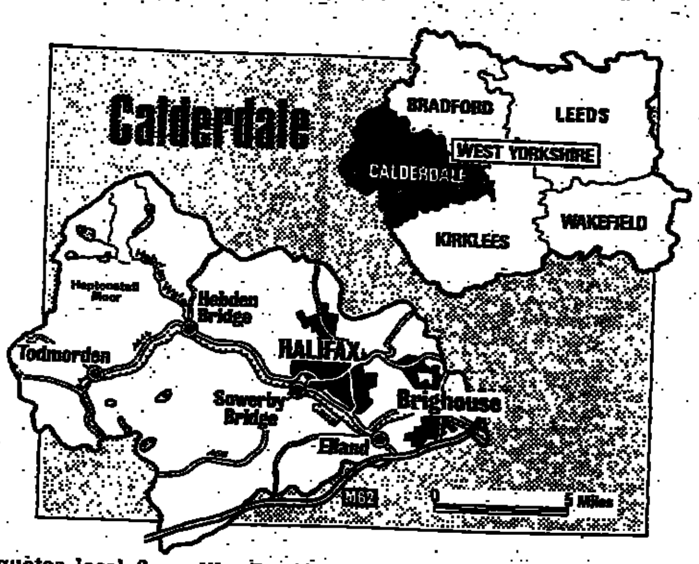
Efforts to attract new industry



CALDERDALE is made up of towns which once looked to wool (and some, like Todmorden, to cotton) for their living, but to-day the textiles industry has been rationalised to a point beyond which it would be hard to go further. From being the staple industry of the area, textile manufacture in Calderdale has shrunk to providing jobs for only about 5 per cent. of the available workers—though there are still success stories to be found in firms who had the foresight to develop new processes and put in new machinery to cope with the trends of the future.

But while textile manufacture itself has fallen from prominence, related industries like the manufacture of textile machinery and textile testing equipment have remained stable, and even expanded. And the related carpets industry has been coping extremely well with the present economic vagaries, opening new plant and pushing up production.

With the decline of the textile industry has come the prominence of a variety of other industries into Calderdale. The machine tool industry, despite recent setbacks, is strongly represented. Confectionery, with household names like Rowntree Mackintosh and United Biscuits also rides high at present, though confectionery experienced difficulties 12 months ago. The industry of the area also includes the manufacture of beers, cat's eyes, washing machines, boilers, and sunblinds, so it can be seen that the decline of the textile industry has led to a healthy diversification encouraged by the various local authorities in power at the time.

To-day the need in Calderdale is seen to be greatest, for a growth in the service industries and in the related commercial fields. At present commercial opportunities are mainly limited to the Halifax Building Society or small accountancy and solicitors' offices, and there is a need for growth in management services and technological organisations to complement the hard-warking traditional industries of the area.

Avoided

To return to the fate of the oldest restablished industry, textiles has lost about 14,000 jobs in the area since 1961. In 1975 1,200 jobs were lost, but now it is hoped that much further rationalisation can be avoided. "What is left now is pretty sound" says Mr. Harry Repper, President of the Halifax and District Incorporated Chamber of Commerce, and quotes local firms like Bondina who make non-woven materials and George Ingham and Co., worsted spinners, as successful because of their forward-looking ideas, and willingness to make investment in new plant.

The firm of which Mr. Repper himself is managing director, James H. Heal and Co. Ltd. makes testing equipment for the textile industry and has adapted to the recent economic situation by exporting more and more goods because of the present situation in the home market. "We have raised our exports from 32 per cent. to 68 per cent. in the course of the last year, and next year may be exporting 80 to 90 per cent. of our output," he comments.

The same story of successful export applies to Crosrol Ltd., makers of textile machinery, who export over 85 per cent. of output. This firm has recently expanded into a new 110,000 square foot site with the help of the local authority in Calderdale, and hopes to expand further on its 10-acre site in the near future. Here, Calderdale's team efforts to encourage existing industry to stay and expand were highly successful, as there was a possibility this development might have been carried out abroad.

Another achievement which has been encouraging to Calderdale's regeneration schemes was the move of Simplex Time Recorder Co. (U.K.) Ltd., onto a 50,000 square feet site, adjoining Crosrol's new development on the Holmfield Industrial Estate in Halifax. Again, there were earlier suggestions of a move abroad—to Germany—before local authority encouragement and help in finding a site prevailed.

Incidentally, an earlier partnership scheme between the local authority and Ladyship International caused this successful furniture manufacturing firm to move into Halifax. The local authority enabled Ladyship International to take over a disused textile mill to start its efforts. Now the firm has taken 100,000 square feet for one of its member firms at Holmfield and a further 50,000 square feet of manufacturing space is expected to be erected there soon. Ladyship International employs about 900 in the Halifax area, and still manufactures on its original premises as well as at Holmfield.

Other major achievements in industry in the area in the past year include Todmorden's first new textile factory in 60 years, Heatherdale Fabrics Ltd. The firm has established £500,000-worth of purpose-built premises in Todmorden and is now in full operation making upholstery cloths. Another recent success for Todmorden is the expansion of Simon Warman Ltd., makers of specialist pumps.

Specialists

And Sir Harold Wilson himself lent prestige very recently to Brighouse's latest factory, belonging to Introl Ltd., one of the country's leading process valve specialists, who have just moved on to the town's Armytage Road Industrial Estate. Sir Harold opened the factory, which brings all the company's manufacturing processes under one roof — until recently it operated from factories in both Halifax and Brighouse.

The carpet industry has been doing well for itself in Calderdale recently, with Crossleys, Kosset and also Homfray and Co. remaining fairly stable. Recently Carpets International has made an investment of £1,500,000 at Dean Clough Mills for Crossley to introduce printed carpets. There have been some redundancies in the carpet industry but about 6,000 are still employed in Halifax and district in carpet manufacture.

One of the employment problems of Calderdale is that though there is a pool of willing and adaptable labour, including a pool of hidden female labour released by the closure of many small textile firms, there is a continuing shortage of skilled labour to fill jobs in the machine tools industry. Despite the loss to Tyneside of Churchill-Redman in 1973, specialist firms like Staveley Industries, Butlers Machine Tool Company and Warner Swasey remain and do well.

Retention

A continuing problem to Calderdale, though, is the provision of skills in its labour force—and the retention of that labour once it has been trained. The Percival Whitley College of Further Education, has recently been given support by the local authority to help provide the right courses for industry and commerce in the area, and the number of its full-time students has increased this year. Retention is a longer-term problem—but an environment which is being made more attractive, and the coming of new industry and offices to the town are two vital factors in keeping labour here.

Incidentally, the borough council is working hard in two separate spheres here to help local industry survive and expand, and to help bring skills back to the area. It is operating a scheme to put firms who might be able to trade with each other, in touch with each other's capacities and capabilities. It is also hoping to introduce a register of people who once lived in the area and now hope to return—and match the skills they bring back with them with the jobs available.

Meanwhile, expansion and growth is being encouraged through the establishment of private and local authority industrial estates throughout Calderdale, with the prime sites being adjacent to the M62, with its east-west route from Liverpool to Hull, which runs through the borough. Government sponsored advance factories of about 250,000 square feet are being provided in Halifax, Brighouse and Todmorden, to encourage small firms to move in. And rentals of anything from 30p a square foot (for old buildings) to about £1 a square foot for the best of the new, provide good value throughout the metropolitan borough.

The provision of sites, the co-operation of the main bodies in Calderdale to help development take place as painlessly and quickly as possible, and the tradition of hard work and sturdy non-conformity in the area should encourage industrialists to look hard at what Calderdale has to offer them.

Identity

CONTINUED FROM PREVIOUS PAGE

...er, and to help to attract industry and offices to Calderdale. Communications between some of the villages and towns are not good, and this is something the borough council is urgently trying to improve. The train service from Manchester through to Leeds, does, however link some of the main towns including Todmorden, Sowerby Bridge and Halifax.

Calderdale is not an area that offers sophisticated entertainment. Halifax does have a Civic Theatre, which seats nearly 1,000, and is used as a touring theatre and concert hall, for orchestras like the Liverpool Philharmonic and the City of Birmingham Symphony Orchestra, as well as for some pop groups. But there is a great tradition of amateur music-making in this area—though the results are often near professional. Almost every community has its choral society and its brass band. Every community too, has a plethora of societies and organisations to fulfil most interests.

The Halifax Piece Hall, recently restored to its original beauty at a cost of £250,000 is also increasingly a venue for concerts, other musical events and exhibitions, and contains a permanent museum and art gallery, as well as craft shops and antique shops. Heptonstall has also become something of an arts and crafts centre.

Recreation

The borough is not plentiful either in its provision for sport in general, particularly within the communities, but the splendid scenery all around provides plenty of scope for recreation, for walking and climbing especially. There is also sailing on several of the large reservoirs on the edge of the area, swimming is well catered for, and fishing is another popular hobby all along the river valleys.

The clean air policy started a few years ago, has borne fruit in that the place looks cleaner, grass is growing again, and the worst aspects of the industrial revolution are being swept away. The best of the industrial heritage, in the shape of buildings which are worth keeping, has been recognised and stone-cleaning has revealed some hidden beauty in the towns. Dereliction still remains in some areas—caused particularly by the decline of the textile industry—but old mills are gradually being reclaimed for new industrial use, or disposed of. Dereliction is still a major problem of the borough, though, and one into which the authorities need to put a continuing effort.

Two elements help to maintain an atmosphere in Calderdale which is one of hard work and conscientious effort. There is a great tradition of non-conformity in the area—and also a tradition of children getting a good education. Schools in the area are generally of a high standard. The borough has moved only slowly towards comprehensive education and several traditional grammar schools still remain, though their futures are under consideration.

There are a large number of Further Education Colleges in the area too, which help to provide young people with the skills local industry and offices want. There is, however, a great dearth of nursery school education in the borough, and a shortage of any provision for the under-fives and this is a situation that needs remedying.

To those who are depressed by big city life and pressures, though, Calderdale provides a refreshing change, with its variety of smaller communities and the sort of wild scenery to blow work-day cares away.

STOCK EXCHANGE REPORT

Equity leaders rally but close below the best

Index up 7.1 at 300.3, after 302.3—Gilts improve

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 15	Nov. 25	Nov. 26	Dec. 7
Nov. 29	Dec. 9	Dec. 10	Dec. 21

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets put on a better performance yesterday following the sharp setback over the previous two trading days. The rally, however, was mainly confined to the leaders and was tempered to a certain extent by further worries that the terms of the IMF loan will be harsher than originally expected. This factor brought prices back from the best in the late afternoon, and the tone in the after-hours dealings was unsettled further by news that the miners' leaders had rejected the National Coal Board's retirement offer and had decided to ballot its members on [illegible].

[illegible] at its best of the day [illegible], the FT 30-share index managed to close 7.1 higher on balance at 300.3. The improvement during the morning was due mainly to the lack of further selling pressure, with buying interest only small.

British Funds also rallied and [illegible] closed with gains of ½ at the longer end of the market after a useful two-way trade. The Government Securities index rose 0.15 to 58.40.

Gilts brighter

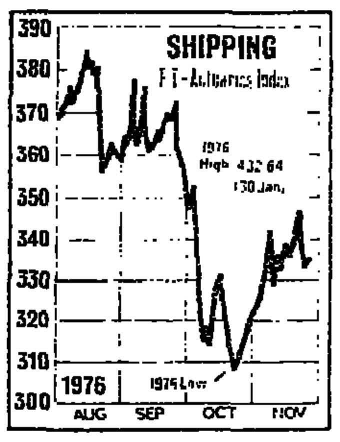
Apart from bid situations, little of interest occurred in secondary issues which ended with small mixed movements. Nevertheless, rises led falls by nearly 2-1 in FT-quoted Industrials and the FT-Actuaries All-Share index rose 1 per cent to 129.47. Official markings of 4,879 compared with 4,978 on Monday and 4,906 a week ago.

With the course of sterling again tending to dictate the trend, but with sentiment also influenced by fresh reports that the IMF could impose conditions for the UK loan application more harsh than originally expected, British Funds began to recover after Monday's setback. The volume of business was described as reasonably good at both the short and long end of the market, but was of a more two-way nature in the former, a factor which limited price gains. Most medium-longs improved ½ although there was an isolated improvement of ¾ in Funding 6½ per cent., 1985-87, at 60¾. The late developments in the miners' talks with the NCB made for a slightly hesitant tone in the after-hours' business.

For most of the day business in the investment currency market was extremely quiet, but sterling's late decline prompted a last-minute flurry which caused a recovery in the rate from 119½ per cent. to a close of 120½ per cent., down a point on balance. Yesterday's S.E. conversion factor was 0.7177 (0.7155).

Banks edge forward

Depressed since last Thursday's news of the further squeeze on bank lending, the big four Banks staged a modest rally yesterday. Prices edged cautiously forward at the start of business and, although best levels were not held, Midland ended 5 dearer at 212p after 213p. Barclays, 198p, and National Westminster, 178p, both closed 3 better but Lloyds, after touching 170p, ran back to close unaltered at 165p. Bank of Scotland improved 4 at 105p. Bank of Ireland were marked down 10 to 225p on the first-half figures but Allied Irish held firm at 75p in front of to-day's interim. Discounts tended mixed with Alexanders 5 to the good at 180p and Union 10 lower at 265p. Hambros, 112p, were unmoved following the interim statement.



Further consideration of the third-quarter profits performance helped Commercial Union harden 2 to 89p in a firmer Insurance sector.

Breweries and kindred trades closed a shade firmer for choice after a small turnover. Down 4 on Monday following publicity given to the Boardroom troubles, Bass Charrington edged forward a penny to 69p, after 70p, while Allied ended 1½ dearer at 49p. Elsewhere, Distillers closed a shade harder at 99½p, after 101p.

Building leaders to record small recovery movements included APC, 134p, up 4, and Taylor Woodrow, a similar amount better at 206p. Elsewhere in the sector, falls of 3 were marked against SGB, 45p, Magnet Southerns, 97p, and Manders Holdings. Greaves Organisation were noteworthy for a fall of 1 to 3½p. The deal with Anglo American Asphalt failed to help W. and J. Glossop, unaltered at 35p, while Melville Dundas and Whitson held steady at 27p ahead of the interim statement.

Ahead of to-morrow's figures for the third quarter, ICI recovered to 294p before closing 4 up on balance at 290p. Fisons were also a better market at 258p, up 3, after 255p, while Laporte firmed 2 to 69p and Brent Chemicals a similar amount to 85p. In contrast, recent Press comment failed to stimulate any further interest in Blagden and Noakes which gave up 3 to 121p.

House of Fraser up

House of Fraser became a dominant market with a rise of 4 to 5p on Press comment ahead of the announcement to-day of its third-quarter trading. Stores leaders were otherwise somewhat subdued compared with other market leaders, Marks and Spencer ending only ½ harder at 80p, after 82p. British Home, 115p, and Gussies "A," 132p, both put on 3. Lee Cooper, down 4 on Monday, rallied 5 to 5sp, while Burton issues were unaltered following comment on the Boardroom re-shuffle.

Rises extending to 7 occurred in the Electricals majors, with GEC, helped by the company's participation in the Brazilian $150m railway project, that amount up at 133p. Plessey picked up from the 1976 low with a rise to 48p before ending 2 up on balance at 47p. Other firm spots included Comet Radiovision, 2 better at 40p on results not as bad as feared and on optimism about current trading, and Derritron, 1½ up at 9½p.

Leading Engineerings rebounded with GKN gaining 10 to 232p, after 235p, and Tube Investments picking up 8 to 274p. Hawker were untroubled by the Aircraft nationalisation Bill delay and closed 6 higher at 278p. Interest was otherwise aroused by two new bid situations; the first was the share exchange offer from Davy International for Head Wrightson, which took the latter up 14 to 50p, after 51p; Davy rose 10 to 126p on the impressive first-half results and the forecast of a sharply higher dividend for the year. The second involved Dartmouth Investments and for H. Miller Investments, which doubled in price to 55p; Dartmouth eased ½ to 51p. Edgar Allen Balfour put on 2 to 49p, the interim setback having been discounted and outweighed by the promise of a second-half recovery. Shipbuildings became erratic following the compromise over the nationalisation Bill, which will be reintroduced in the next Parliamentary session. Hawthorn Leslie fell 5 to 28p, but Swan Hunter regained 1 to 34p.

Foods generally made modest headway yesterday although Brooke Bond failed to participate despite the forecast of a satisfactory increase in profits during the current year. Still on the bid situation, Kinloch put on 2 more to 190p; this compares with Booker McConnell's bid of 200p cash. BSf shares eased 4 to 105p. Gains of 2 took in Cavenham, 92p, Gateway Securities "A," 29p, and Somportex, 26p while Tesco hardened ½ to 26p ahead of to-day's interim statement. Following Press comment, J. Lyons made further progress away from the recent low of 31p, rising 3 to 39p with the 7½ per cent Convertible hardening 1 to 236.

Savoy Hotel "A," firm at one stage on Monday following week-end Press comment, gave further ground with a loss of 2 to 28p. Ladbroke reflected demand with a rise of 4 to 80p, while Grand Metropolitan gained 2 to 48p end, in a thin market. Wheeler's Restaurants put on 5 to 95p.

Misc. leaders better

Selling of the Miscellaneous Industrial leaders dried up yesterday and helped bring about a useful rally. In thin trading conditions, prices picked up but finished below the best following news of the planned miners' ballot. Unilever put on 8 to 384p and Glaxo picked up 7 to 332p, while Beecham added 4 to 320p. Metal Box retrieved 5 at 223p as did Pilkington Bros. at 262p; the latter's interim results are due next Wednesday. Secondary issues failed to take their cue from the majors and closed narrowly mixed. However, Richards of Sheffield were outstanding with a rise of 7 to 20½p on news of the bid worth 21p cash per share from Imperial Knife, a private American holding.

Powell Duffryn, 109p, and Rexmore, 39p, improved 2 on satisfaction with their first-half profits performances, while Extel hardened a similar amount to 58p ahead of Thursday's interim announcement. Demand in a thin market left De La Rue 6 higher at 225p. International Computers put on 5 to 113p but Braby Leslie ended 5 lower at 80p, the latter following the half-year results. Ovenstone shed 4 to 27p and Allied Polymer lost 3 to 24p. A firm market of late on buying in a thin market, Whatman Reeve Angel reacted 3 to 145p.

Motor Component issues regained part of the previous day's losses, Dunlop retrieving 4 to 66p after Monday's loss of 6, while Lucas, 10 down on Monday, picked up 5 at 180p. Dowty, 90p, and Associated Engineering, 66p, were both 2 harder, with the latter's new nil-paid shares the same amount up at 6½p premium. Armstrong Equipment, on the other hand, gave up 2 at 31p, while Automotive Products shed 3 to 43p. Up to 28p immediately ahead of and after the interim announcement, Kwik-Fit slipped back to close unchanged at 25p.

Associated Newspapers' first-half figures, although substantially higher, failed to match the more optimistic market expectations and the price eased from 106p to end a net 2 lower at 103p. Daily Mail "A" drifted back 5 to 175p in sympathy.

Properties rally

Properties took heart from the general tone and in the absence of any fresh pressure to sell staged useful rallies, mostly among secondary issues. United Real, 170p, and Property and Reversionary "A," 136p, regained 6 apiece, while Warnford Investments were raised 8 to 150p. Hammerson "A" and Property Holding both improved 5, to 240p and 177p respectively. Lending issues also made some recovery and Land Securities closed 3 better at 108p, after 109p, while MEPC, 37p, and English, 30p, closed about 2 dearer. Elsewhere, Estates and Agency moved up 4 to 35p; the price published in yesterday's issue was incorrect.

Overnight Wall Street trends rather more than actual U.S. buying interest encouraged a rally in British Petroleum which, helped later by local support, rose to 714p before closing a net 8 up at 708p. Shell followed with a recovery to 402p, prior to settling 4 dearer on the day at 398p, while Ultramar regained 2 to 100p, after 102p. Oil Exploration were firm initially at 85p, but subsequently softened to end 1 lower on balance at 82p. Overseas influences were responsible for a [illegible]

There was renewed firmness in Ocean Wilsons, which put on 5 to 138p. S. Hoffnung, on the other hand, lost 3 at 86p, and, elsewhere in Overseas Traders, Sime Darby came back 3 to 108p following news that a poll of shareholders will be held on December 10 to decide the composition of the Board as a compromise to settle the company's differences with the Malaysian-owned Pernas.

Investment Trusts had little to offer apart from an improvement of 3 to 78p in S.P.R. Investments ahead of to-day's interim results. In Financials, Williams Hudson were marked up a penny to 21p late on the results, while S. Pearson hardened 2 at 102p.

Shippings failed to attract much business but closed better where changed. P & O Deferred put on 3 at 105p as did Furness Withy to 162p, after 164p.

Courtaulds, at 82p, retrieved 3 of the previous day's loss of 4 in firmer Textiles where Tootal put on 2 to 27p.

Moving with the general trend, Tobacco leaders took a modest turn for the better. BATs Industries, 251p, and the Deferred, 208p, both closed 3 dearer after 255p and 210p respectively. Imps hardened 2 at 53½p.

Quiet Mines

Activity in mining share markets was minimal. After a reasonably steady opening South African Golds tended to drift reflecting the combination of the easier bullion price, the marginally lower investment currency premium and modest profit-taking.

Shares subsequently closed at or around the day's lowest and the Gold Mines index lost 0.5 at 141.3, while bullion was finally $1.25 cheaper at $132.75 an ounce.

The London-based Financials, although generally firmer, did not fully reflect the gains in Industrials. Rio Tinto-Zinc closed 2 up at 150p, after 151p, while Gold Fields and Charter were barely changed at 134p and [illegible] respectively.

The overseas-based stocks were featureless in idle trading. Gains of ½ were registered by GFSA and "Johnnies" at [illegible] and £15¼ respectively. [illegible] Wits continued to reflect week-end Press comment and closed [illegible] better at 220p.

In Coppers, Messina improved 3 more to 188p on further consideration of the higher dividend and profits. Rhodesians also moved ahead with Falcon [illegible] at 108p and Coronation 2 harder at 70p.

The continuing dullness of overnight home markets prompted like movements here in Australians. CRA were 5 down at 225p, while Peko-Wallsend [illegible] up a similar amount to [illegible]. Ocean Resources closed 2 off at 27p, after 25p, following the results from licence 130 in the Northern Territory.

FINANCIAL TIMES STOCK INDICES

	Nov. 23	Nov. 22	Nov. 19	Nov. 18	Nov. 17	Nov. 16	A year ago
Government Secs.	58.40	58.52	58.44	58.06	57.97	57.92	[illegible]
Fixed Interest	57.98	57.97	57.95	57.63	57.64	57.52	[illegible]
Industrial Ordinary	300.3	293.2	307.3	317.0	312.1	310.2	[illegible]
Gold Mines	141.3	141.8	139.5	135.8	137.2	140.6	[illegible]
Ord. Div. Yield	7.26	7.44	7.13	6.90	7.04	7.0[illegible]	[illegible]
Earnings Y'ld % (full)	22.79	23.33	22.43	21.45	21.93	21.9[illegible]	[illegible]
P/E Ratio (net) (*)	6.42	6.27	6.53	6.85	6.68	6.69	[illegible]
Dealings marked	4,879	4,978	5,267	4,474	4,225	4,906	[illegible]
Equity turnover £m.	—	48.04	62.24	69.30	44.57	56.19	[illegible]
Equity bargains total	—	10,451	10,655	10,828	8,817	10,750	14,9[illegible]

10 a.m. 297.8. 11 a.m. 297.1. Noon 296.8. 1 p.m. 297.3. 2 p.m. 301.1. 3 p.m. 301.4.

Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. [illegible] Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21	55.08	127.4	49.18
Fixed Int.	64.45	55.57	150.4	50.53
Ind. Ord.	420.6	265.5	549.2	49.4
Gold Mines	246.9	98.5	442.3	43.5

S.E. ACTIVITY

	Nov. 23	Nov. 22
Daily—		
Gilt-Edged	205.6	215
Industrials	138.1	155
Speculative	33.1	29
Totals	99.7	113
5-day Average		
Gilt-Edged	207.7	207
Industrials	141.5	144
Speculative	30.6	32
Totals	10	108

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS

GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Group	Index No. (Tue. Nov. 23)	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net)	xd adj.	Mon. Nov. 22	Fri. Nov. 19	Thurs. Nov. 18	Wed. Nov. 17	Year ago (approx.)	High	Low
1	CAPITAL GOODS (178)	112.83	-1.5	24.02	8.56	6.16	6.19	111.39	114.81	117.40	115.18	140.07	160.06	100.83
2	Building Materials (30)	96.88	-0.5	25.97	9.97	6.27	6.27	96.40	99.81	102.53	100.02	135.76	150.18	85.55
3	Contracting, Construction (22)	140.56	-0.8	31.78	7.76	4.85	4.85	139.50	144.78	149.11	145.56	255.45	260.20	132.08
4	Electricals (16)	213.55	-2.2	20.96	6.54	6.90	7.09	209.04	215.87	221.95	217.63	245.09	287.30	190.54
5	Engineering (Heavy) (13)	159.84	-1.5	33.20	8.95	4.41	4.58	157.72	164.05	168.51	163.93	159.52	193.18	153.56
6	Engineering (General) (65)	106.75	-1.5	21.42	8.77	6.05	6.04	105.21	108.04	110.01	108.17	121.54	149.29	95.60
7	Machine and Other Tools (8)	49.46	0.1	19.55	8.98	7.66	7.64	49.41	49.96	50.54	50.24	50.54	63.62	45.29
8	Miscellaneous (23)	98.61	0.4	21.27	9.18	6.93	6.85	98.40	100.56	101.53	100.51	118.26	141.94	93.24
9	CONSUMER GOODS (DURABLE) (53)	96.46	-1.4	25.26	7.59	5.93	5.92	95.15	99.53	101.47	99.71	115.91	141.46	85.12
10	Lt. Electronics, Radio TV (15)	103.28	-1.9	23.50	5.66	6.32	6.32	101.57	107.07	108.70	107.08	127.92	163.35	87.31
11	Household Goods (13)	106.78	-0.3	28.55	11.26	5.54	5.52	107.04	108.87	111.46	109.71	167.18	187.22	104.30
12	Motors and Distributors (25)	66.10	1.7	26.84	8.55	5.64	5.64	65.32	67.99	69.62	68.16	69.42	83.16	56.10
13	CONSUMER GOODS (NON-DURABLE) (170)	115.82	-1.1	19.69	8.45	7.69	7.62	114.52	118.40	121.35	118.67	118.34	162.24	104.41
14	Breweries (15)	120.08	-1.5	19.86	9.57	7.54	7.54	118.25	122.52	125.74	120.68	162.54	179.43	111.17
15	Wines and Spirits (6)	130.71	0.9	18.41	8.67	8.34	8.34	129.49	131.89	132.46	130.18	158.54	193.67	124.71
16	Entertainment, Catering (15)	145.06	1.1	18.21	9.22	8.38	8.30	143.56	147.96	151.22	147.00	179.42	211.26	127.11
17	Food Manufacturing (25)	132.76	-1.0	21.46	7.04	7.08	7.03	131.42	134.86	139.84	135.89	162.97	179.44	129.94
18	Food Retailing (16)	111.15	0.8	17.54	7.10	8.36	8.36	110.29	112.66	114.51	111.57	146.48	150.05	92.79
19	Newspapers, Publishing (16)	173.26	0.4	14.45	6.14	10.48	10.48	173.98	176.15	178.21	176.11	161.72	181.46	148.46
20	Packaging and Paper (12)	81.52	-1.1	21.69	9.86	7.08	7.08	80.63	84.01	86.46	84.51	100.93	112.25	72.24
21	Stores (35)	89.19	1.0	17.34	8.01	8.88	8.84	88.52	92.67	95.76	92.50	126.43	166.28	78.47
22	Textiles (25)	106.42	-0.7	19.02	11.18	8.21	7.44	106.47	108.14	112.54	109.75	159.75	183.24	96.76
23	Tobaccos (3)	184.48	1.6	23.75	9.36	6.26	6.26	181.51	186.94	190.35	188.82	212.34	241.08	167.56
24	Toys and Games (6)	68.11	1.9	24.31	9.51	5.52	5.49	66.72	69.69	70.74	70.51	65.68	80.95	59.15
25	OTHER GROUPS (95)													
26	Chemicals (16)	175.92	-0.7	18.56	6.56	7.41	7.41	174.70	182.27	186.41	182.10	192.02	231.58	159.10
27	Office Equipment (9)	64.05	-1.1	18.86	8.25	7.75	7.75	63.37	64.96	66.07	64.71	68.88	100.18	58.55
28	Shipping (12)	334.97	-0.5	15.17	7.67	9.40	8.52	333.25	344.51	347.51	340.64	395.97	452.64	308.48
29	Miscellaneous (58)	119.65	-0.5	19.78	9.63	7.60	7.60	119.06	122.64	125.88	123.07	155.10	172.98	108.19
41	INDUSTRIAL GROUP (496)	119.84	-1.0	20.66	8.15	7.14	7.11	118.60	122.74	125.60	123.05	148.46	158.53	[illegible]
42	OILS (4)	376.30	-1.1	11.32	4.66	10.24	9.42	372.29	382.10	384.10	372.84	326.69	393.84	315.07
49	500 SHARE INDEX	140.21	-1.1	18.82	7.46	7.60	7.47	138.75	143.56	146.18	142.94	153.32	163.00	125.00
51	FINANCIAL GROUP (100)	96.94	-1.1	—	8.11	—	—	95.88	99.78	103.94	102.55	135.82	155.46	87.19
52	Banks (6)	117.14	-1.5	28.84	7.65	5.53	5.53	115.60	121.68	131.94	131.35	164.56	188.16	111.35
53	Discount Houses (10)	134.55	-1.5	—	10.37	—	—	136.35	140.05	138.56	131.68	164.08	186.52	97.72
54	Hire Purchase (5)	65.58	-1.5	11.05	10.00	20.17	20.17	66.45	66.88	66.57	65.99	95.68	102.10	55.25
55	Insurance (Life) (10)	79.44	-0.7	—	9.52	—	—	78.91	81.26	82.42	80.35	124.47	129.46	75.11
56	Insurance (Composite) (7)	77.50	1.6	—	9.54	—	—	76.27	79.15	80.71	79.29	107.46	119.75	68.99
57	Insurance Brokers (9)	208.19	-0.2	14.44	6.69	10.37	10.37	208.55	213.92	218.07	215.20	226.08	276.90	178.27
58	Merchant Banks (15)	50.63	-0.3	—	8.26	—	—	50.80	50.93	52.06	51.98	51.81	87.18	[illegible]
59	Property (32)	118.43	-1.9	5.51	4.75	32.52	30.57	114.25	120.94	126.40	123.18	161.93	194.57	[illegible]
60	Miscellaneous (6)	62.30	-1.4	21.37	13.36	7.05	7.03	63.15	65.24	65.09	61.23	79.84	91.98	[illegible]
70	Investment Trust (50)	128.03	-0.2	4.13	6.01	25.03	25.05	127.74	129.74	129.42	127.14	174.30	184.95	115.20
99	ALL-SHARE INDEX (650)	129.47	1.0	—	7.49	—	—	128.17	132.46	135.59	132.57	152.06	172.64	119.29
	COMMODITY GROUPS (Not included in 500 or All-Share indices)													
81	Rubbers (9)	495.28	-0.5	8.42	5.81	15.91	14.50	495.72	503.58	507.22	496.18	388.50	525.40	404.47
85	Teas (8)	152.07	-1.0	31.95	9.31	4.12	3.99	153.42	152.07	150.61	150.27	109.37	172.43	117.89
86	Coppers (5)	157.05	-5.1	41.25	7.15	2.42	2.42	159.39	148.15	153.21	154.62	274.01	301.47	143.41
87	Mining Finance (11)	119.75	0.1	11.13	5.75	9.87	9.79	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	119.77	[illegible]
88	Tin (3)	115.66	1.1	12.25	9.61	12.58	12.42	116.94	117.70	118.62	120.15	97.48	126.56	86.09
89	Overseas Traders (13)	196.18	0.4	10.69	6.97	7.54	7.54	195.65	199.92	201.64	198.55	220.16	[illegible]	[illegible]

FIXED INTEREST

		Tuesday Nov. 23 Index No.	Yield %	Monday Nov. 22	Friday Nov. 19	Thurs. Nov. 18	Wed. Nov. 17	Tuesday Nov. 16	Monday Nov. 15	Friday Nov. 12	Year ago (approx.)	High	Low
1	Consols 2½% yield		15.00	15.11	14.98	15.09	15.19	15.19	15.16	14.79			
2	20-yr. Govt. Stocks (6)	44.52	14.57	44.33	44.57	44.24	44.03	44.00	44.05	44.72	46.61	53.45	42.51
3	20-yr. Red. Deb. & Loans (15)	44.50	16.49	44.50	44.59	44.31	44.24	44.16	44.91	44.05	46.07	52.40	[illegible]
4	Investment Trust Prefs. (15)	43.16	16.11	43.16	43.51	42.99	42.85	42.80	43.07	43.85	46.57	51.23	[illegible]
5	Coml. and Indl. Prefs. (20)	60.32	14.97	60.37	60.52	60.07	59.87	59.80	59.12	59.88	64.36	71.97	[illegible]

Section or Group / Base Date / Base Value: [illegible]

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p. † Redemption yield. FT-Actuaries indices are calculated by Extel [illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BATs Defd.	25p	14	208	+ 3	225	183
ICI	£1	14	290	+ 4	402	256
BP	£1	13	708	+ 8	716	357
Shell Transport	25p	12	398	+ 4	482	352
Beecham	25p	8	320	+ 4	390	269
GUS "A"	25p	8	132	+ 3	224	123
Unilever	25p	8	384	+ 8	500	346
Courtaulds	25p	7	82	+ 3	169	73
GEC	25p	7	133	+ 5	168	112
Barclays Bank	£1	6	225	− 10	350	190
Coats Patons	25p	6	47½	—	70½	41½
Cons. Gold Fields	25p	6	134	+ 1	220	113
Dunlop	50p	6	66	+ 4	98	57
GKN	£1	6	232	+ 10	380	203
Lucas Inds.	£1	6	180	+ 5	222	128

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under rule 163(1) (e)

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (2)

AMERICANS (2)

City Investing · City Inv's Cum. Pf.

NEW LOWS (17)

BUILDINGS (1)

Cem. Roadstone

ELECTRICALS (1)

Sturla (G.)

ENGINEERING (1)

Assoc. British

HOTELS (2)

Leisure & General · Warner Holidays 'A'

INDUSTRIALS (6)

Allied Polymer · [illegible] · Carlton · Ovenstone · Cent. Stationery · [illegible]

PAPER, PRINTING (1)

Ferry Pickering

PROPERTY (1)

Mucklow (A. & J.)

SHIPBUILDERS (1)

Hawthorn Leslie

SHIPPING (1)

Lyle Shipping

TRUSTS (2)

Crescent Japan · Northern Secs.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 9	Nov. 22	Feb. 10	Feb. 22
Nov. 23	Dec. 6	Feb. 24	Mar. 8
Dec. 7	Dec. 20	Mar. 10	Mar. 22

Calls were arranged in ICI, Dunlop, Lonrho, Shell Transport, British Petroleum, Gateway Securities, MEPC, Hawker Siddeley, National Westminster Warrants, Burmah Oil and Grand Metropolitan. Trust Houses Forte and Dunlop were dealt in for the put, while double options were transacted in Bowater, ICI, Intereuropean Property and Lloyds Bank. Short-dated calls were done in Dunlop and Unilever, while doubles were arranged in GUS "A," GEC, Courtaulds, Bowater, Beechams, Marks and Spencer, Unilever, BOC International and ICI.

Industrials		E.M.I.	17	Marks & Sp'cer	5	Brit. Land	3½
		Fitch Lovell	6	Midland Bank	22	Cap. Counties	3
A. Brew	5½	Gen. Accident	12	Nat'l West Bank	20	E.P.	5
A. P. Cement	15	Gen. Electric	13	"Do" Warrants	7½	Int. Europe	7
Assoc. Leisure	5	Glaxo	35	P & O Dfd.	11	Land Securities	14
BSR	9	Grand Met.	7	Plessey	7	MEPC	7
Babcock	8	G.U.S. "A"	16	R.H.M.	5	Peachey	6
Barclays Bank	22	Guardian	18	Rank Org. "A"	18	Samuel Props.	4½
Berry Wiggins	5	G.K.N.	25	Reed Int'l	25	Town & City	2½
Beecham	28	Hawker Sidd.	35	Royvale	11		
Boots Drug	12	House of Fraser	8	Rollimeus	4	Oils	
Bowaters	16	I.C.I.	20	Slater Walker	4	Brit. Petroleum	40
B.A.T.	21	"Imps"	7	Spillers	4	Burmah Oil	4½
British Leyland	5	I.C.L.	14	Tesco	4	Shell	27
BOC Int.	5½	Invresk	7	Thorn "A"	22	Ultramar	14
Brown (J.)	9	Legal & General	12	Trust Houses	9		
Burton "A"	6½	Ladbroke	11	Tube Invest.	7	Mines	
Cadbury's	6	Lex Service	5½	Unilever	38	Charter Cons.	15
Cavenham	10	Lloyds Bank	22	Utd. Drapery	8	Chart'rhall Fin.	4
Courtaulds	11	"Lots"	4	Vickers	15	Cons. Gold	15
Debenhams	8	London Brick	4½	Williams-Hud'n	4	Hampton Areas	12
Distillers	15	Lonrho	9	Woolworths	6	Rio T. Zinc	18
Dunlop	7½	Lucas Inds.	20			*Western M'ng.*	18
Eagle Star	11	"Mams"	7	Property			

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	42	5	25
Corpns. Dom. & Foreign Bonds	1	12	47
Industrials	323	182	1,168
Financial and Prop.	124	85	339
Oils	8	7	19
Plantation	3	7	28
Mines	30	19	76
Recent Issues	7	2	12
Totals	539	329	1,704

Pedestrians given more time

NEW PELICAN crossings in London will have more frequent pedestrian phases incorporated following successful experiments by the Greater London Council.

These showed that when the vehicle precedence time was cut from 30 seconds or more to 20 seconds, vehicle flows and queue lengths were virtually unchanged, but pedestrians enjoyed greater convenience and crossings against the red decreased by 40 per cent.

MONEY MARKET

Signal on interest rates

Bank of England Minimum Lending Rate 14¾ per cent. (since November 19, 1976)

The authorities indicated to the London money market yesterday that they do not wish to see any change in Bank of England Minimum Lending Rate in the near future. Discount houses buying rates for three-month Treasury bills ended at 14⅝-14½ per cent., which would leave MLR unchanged if repeated at the Treasury bill tender on Friday.

Day-to-day credit was in very short supply again, and the authorities gave the signal on interest rates by lending a moderate amount for seven days to seven or eight houses, at MLR. Assistance was also given by lending a large amount overnight to the same number of houses, also at MLR. Extremely large official purchases of Treasury bills and local authority bills from the houses and banks brought the total assistance to exceptionally large.

Banks carried forward surplus balances from Monday and Government disbursements exceeded revenue payments to the Exchequer. These were outweighed by a net market take-up of Treasury bills, an increase in the note circulation, and repayment of the previous day's exceptionally large official loans to the market.

Discount houses paid 14¾-16 per cent. for secured call loans in the early part, and closing balances were found in the region of 12-14¾ per cent., with most funds taken at around 13½ per cent.

In the interbank market overnight loans opened at 15¾-16 per cent. and eased to 12½-13 per cent. *before closing at 14-14½ per cent.*

Rates in the table below are nominal in some cases.

Nov. 23 1976	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company deposits	Discount market deposits	Treasury Bills ф	Bank Bills ф	Fine Trade Bills ф
Overnight	—	12½-16	—			14½-14¾	12-16	—	—	—
2 days notice	—		15¾-16	—			—	—	—	—
7 days or 7 days notice	—	15¾-16	15½-16		15¾-16¼	15¼	14¾-14½	—		
One month	15½-15	15¼-15⅞	15½-15⅝	16½-15	15¾-16¼	15½	14¼-14½	15⅛-15⅛	15⅛-15	16⅛-15½
Two months	15-14⅞	15-15¼	—	15⅝-14⅝	15-15¾		14-14½	15⅞	14⅞-14⅞	15⅞
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Local authority and finance houses seven days' notice, others seven days fixed. [illegible] Finance House Base Rates (published by the Finance Houses Association) [illegible] Clearing Bank Base Rates for lending 14 per cent. Clearing Bank Deposit Rates for [illegible]

BASE LENDING RATES

Allied Irish Banks Ltd.	14
American Express Bank	14
Anglo-Portuguese Bank	14
Henry Ansbacher	14
Banco de Bilbao	14
Bank of Cyprus	14
Bank of N.S.W.	14
Banque du Rhone S.A.	14
Barclays Bank	14
Barnett Christie Ltd.	15
Bear Securities Ltd.	14
Bremar Holdings Ltd.	14
Brit. Bank of Mid. East	14
■ Brown Shipley	14
Canada Permanent AFI	14
Capitol C & C Fin. Ltd.	14
Cayzer, Bowater Co. Ltd.	14
Cedar Holdings	15
■ Charterhouse Japhet	14
C. E. Coates	15
Consolidated Credits	14
Co-operative Bank	14
Corinthian Securities	14
Credit Lyonnais	14
C. R. Dawes	15
Duncan Lawrie	14
Eagil Trust	14
English Transcont.	14
First London Secs.	14
First Nat. Fin. Corp.	16
First Nat. Secs. Ltd.	16
■ Antony Gibbs	14
Goode Durrant Trust	14
Greyhound Guaranty	14
Grindlays Bank	‡14
■ Guinness Mahon	14
■ Hambros Bank	14
■ Hill Samuel	§14
C. Hoare & Co.	†14
Julian S. Hodge	15
Hongkong & Shanghai	14
Industrial Bank of Scot.	14
Keyser Ullmann	14
Knowsley & Co. Ltd.	15
Lloyds Bank	14
London & European	14
London Mercantile	14
Midland Bank	14
■ Samuel Montagu	14
■ Morgan Grenfell	14
National Westminster	14
Norwich General Trust	14
P. S. Refson & Co.	14
Rossminster Accept'es.	14
Royal Bk. Canada Trust	14
Schlesinger Limited	14
E. S. Schwab	15
Security Trust Co. Ltd.	15
Shenley Trust	16
Standard Chartered	14
Trade Development Bk.	14
Twentieth Century Bk.	16
United Bank of Kuwait	14
Whiteaway Laidlaw	14
Williams & Glyn's	14
Yorkshire Bank	14

■ Members of the Accepting Houses Committee.

* 7-day deposits 11%, 1-month deposits 11¼%.

† 7-day deposits on sums of £10,000 and under 11%, up to £25,000 11¼%, over £25,000 11½%.

‡ Demand deposits 12%.

§ Call deposits over £1,000 11%.

CORAL INDEX

Close 293-300

INSURANCE BASE RATES

† Atlantic Assurance	14
Cannon Insurance	13

† Address shown under Insurance and Property Bond table

Planning council objectives

THE FINAL regional strategy report and proposals for [illegible] lution to the English regions [illegible] the two main items in a [illegible] work programme for [illegible] Northern Economic Planning Council.

صكنا من الاصل

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London, Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

ART GALLERIES

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

AMERICANS

S.E. List Premium 39¼% (based on $US1.6467 per £)

Conversion factor 0.7177 (0.7135)

CANADIANS

S.E. List Premium 39¼% (based on $1.6367 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

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صكنا من الاصل

INDUSTRIALS—Continued

INSURANCE

PROPERTY—Continued

TRUSTS—Continued

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	250	Blyvoor 25	395	......	Q75c	1.6	13.7
£24	440	Buffels R1	720	......	Q125c	1.6	12.6
•140	70	Deelkraal R0.20	94	......	—	—	—
760	125	Doornfontein R1	275	−5	Q55c	2.2	14.5
965	330	East Drie R1	670	−20	Q75c	1.7	8.1
280	122	Elandsrand Gld. 20c	175	−5	—	—	—
190	44	Elsburg R1	112	....	Q33.5c	1.0	‡
£16½	520	Hartebeest R1	£10¾	....	Q190c	1.3	17.8
695	260	Kloof Gold R1	480	....	Q47c	1.5	7.1
760	140	Libanon R1	325	+5	Q80c	2.0	17.8
740	230	Southvaal 50c	390	....	Q8c	1.3	1.5
245	92	Stilfontein 50c	160	....	‡Q36c	2.2	‡
£20¾	700	Vaal Reefs 50c	£11½	−¼	‡Q175c	2.1	‡
420	48	Venterspost R1	170	....	Q25c	3.4	10.6
£35	£11¼	W. Drie R1	£21	+¼	Q335c	1.5	11.5
315	68	Western Areas R1	178	....	‡Q52c	1.4	‡
£15¼	480	Western Deep R2	840	....	‡Q45c	1.6	‡
290	100	Zandpan R1	188	−2	Q31½c	1.0	12.0

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	60	Free State Dev. 50c	125	+5	Q9c	0.6	5.2
£22½	715	F.S. Geduld 50c	£11¼	....	Q200c	ϕ	12.3
200	50	F.S. Saaiplaas R1	100	+2	6c	2.6	4.3
465	170	Harmony 50c	320	....	‡Q65c	1.9	‡
195	38	Loraine R1	94	....	Q6c	0.5	4.6
£18½	10⅞	Pres. Brand 50c	£10¼	−⅛	Q170c	ϕ	12.0
£13	395	Pres. Steyn 50c	730	−10	Q45c	ϕ	4.5
£23⅝	750	St. Helena R1	£12½	....	Q170c	ϕ	9.9
174	70	Unisel	124	−6	—	—	—
330	125	Welkom 50c	205	....	Q15c	ϕ	5.3
£25½	950	W. Holdings 50c	£15⅝	−⅛	Q310c	ϕ	14.3

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
335	155	Messina R0.50	188	+3	Q45c	ϕ	18.4

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9	....	0.1	ϕ	1.8
35½	15½	Charterhall 5p	21	+½	—	—	—
990	550	Cons. Murch. 10c	620	....	‡Q80c	1.8	9.3
350	245	Northgate C$1	330	....	—	—	—
239	132	R.T.Z.	150	+2	g5.96	2.1	6.1
112	67	Sabina Inds. C$1	70	....	—	—	—
£15¾	£10	Tara Exptn. $1	£12¼	....	—	—	—
45	32½	Tehidy Minerals 10p	36	....	‡h1.08	ϕ	4.6
145	84	Yukon Cons. C$1	115	....	—	—	—

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution: bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ℘ Price at time of suspension.
- § Indicated dividend after pending scrip and or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim, reduced final and/or reduced earnings indicated.
- ¶ Forecast dividend; cover on earnings updated by latest interim statement.
- ‖ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ◇ Regional price
- ‖ No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment; Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Wednesday November 24 1976

NEB puts £650,000 in Sinclair Radionics

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

THE NATIONAL Enterprise Board has injected £650,000 into Sinclair Radionics, the only British-owned and U.K.-based maker of electronic calculators. In exchange, it will hold 43 per cent. of the enlarged ordinary capital.

Yesterday's joint announcement emphasised that the funds would enable Sinclair to expand its business, including the launching in 1977 of a miniature TV set with a two-in screen, capable of receiving transmissions in all parts of the world.

It is understood that Sinclair was introduced in July to the NEB, and to GEC — the electrical and electronics group — by Rothschilds, whom it had approached for advice because of a cash crisis. GEC investigated the situation, but decided not to step in.

Mr. Clive Sinclair, who founded the company in 1962 and is chairman and chief executive, said yesterday that the crisis had been largely caused by technical difficulties with one of the key components for the company's first digital watch, which was launched last year.

The labour force at the company's headquarters at St. Ives, Cambridgeshire, has been reduced by about 100 to 250 in recent months, though calculator assembly has been brought mainly in-house after several years of subcontracting.

After last year's record loss of £355,000, Mr. Sinclair said it was by no means certain that the current year (to April 30) would again produce a deficit.

Until the National Enterprise Board deal, Mr. Sinclair held 91 per cent. of the 100,000 Ordinary shares, with the rest split between his wife and two outside individual shareholders. The NEB has subscribed for 75,000 new Ordinary £1 shares and 200,000 £1 5 per cent. Preference shares, which carry warants to subscribe for a further 50,000 Ordinary. This gives it the option of taking majority control.

The NEB will appoint two directors to the Board, but without executive functions. No changes to the existing senior management are envisaged.

Feature Page 19

IMF may demand U.K. performance targets are met

BY DAVID BELL — WASHINGTON, Nov. 23.

THE INTERNATIONAL Monetary Fund is now considering a scheme under which Britain would have to meet increasingly strict performance targets as it borrows successive tranches of the $3.9bn. loan now being negotiated.

These targets would apply to such ke yindicators as the rate of domestic credit expansion and the public sector borowing requirement. IMF officials will not decide finally what these targets should be until the negotiating team, which is now in London, has presented its report.

It is not expected here that this process will have been completed by December 9 when the $5.3bn. international standby credit expires.

It is understood that the Fund is proposing to release tranches of the loan—probably 25 per cent. at a time—and has not yet finally decided how its performance clauses should work. But it is understood that one scheme now being closely studied here would nivolve the setting of a relatively "easy" target to begin with an then very much tighter targets before each subsequent 25 per cent. of the loan is released.

IMF staff are well aware that the targets must be seen to be tight to satisfy the foreign exchange markets and a number of governments, particularly the Ford Administration. But they also recognise that there is little point in setting targets which are so strict that the British Government is unable, for political or other reasons, to meet them.

This has led to the interest in an escalating set of conditions which would be designed to bind the U.K. Government firmly over the life of the loan but might allow it to introduce its new measures in a way which would cause fewer political ripples.

Much depends, of course, on the length of time over which the money is lent and th's and much else remain to be decided.

The IMF recognises that there is much hard negotiating still to be done and that much will depend on the way in which the performance clauses are drawn up in the next few weeks.

● MR. WILLIAM SIMON, the U.S. Secretary Treasury, will confer with Mr. Denis Healey, the Chancellor, on Saturday, the U.S. Government anounced today. Mr. Simon is then expected to leave London on Sunday for visits to the Soviet Union and Mexico.

THE LEX COLUMN

Behind the Davy takeover

Davy International stands to increase its net tangible assets by 45 per cent. to around £37m. as a result of its agreed bid for Head Wrightson, which is roughly four times more than the figure at the time of the unwelcome bid from Simon in 1973. Given the importance of a strong balance sheet to an international contracting group, that is one obvious attraction in a deal which also increases both the equity base and the prospective profits total by roughly a fifth.

In addition, HW should be better equipped to break into international markets as part of a larger organisation, and both groups cite a string of activities where a merger makes sense: for instance, Davy will virtually be able to undertake a complete steel works.

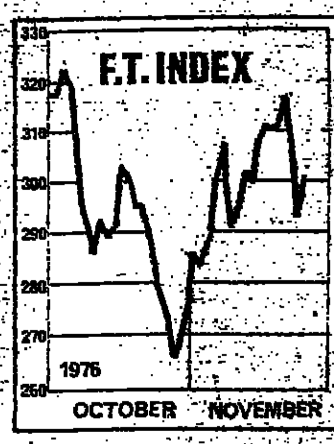
Of course these mutual interests have been obvious for years—as the two groups recognised when they rationalised their iron and steel contracting activities in 1973 — so it might seem slightly odd that Davy has now decided to increase its exposure to the risks of heavy manufacturing in the U.K. HW's fabrication plant at Teesdale is currently short of work, and its hopes of profits growth this year have consequently had to be deferred. However the two managements have already worked together on large contracts. Davy has a good acquisitions record, and its profits are still moving sharply ahead. The interim figures show a rise from £3.3m. to £7.3m. pre-tax, which supports hopes of something like £15m. for the year compared with £10.4m. in 1975-76.

Finally, Davy has been given permission to increase its dividend by nearly three-fifths if the bid goes through, which is how it has been able to overcome the fact that its dividend yield before the news was only about half HW's. This follows a statement by the Government on Monday to the effect that dividend controls would not be administered in a way that might threaten "the accepted objectives of the industrial strategy." This interpretation would obviously not apply in a contested take-over, but it could provide a number of major companies with food for thought.

Sime Darby

The proxy fight over the composition of Sime Darby's Board is developing into one of

Index rose 7.1 to 300.3



those unhappy confrontations which no one can win. Sime has now asked its shareholders for their support against the attempt by Pernas Securities (a subsidiary of the National Corporation of Malaysia) to replace four members of the existing Board with three of its own candidates.

But if the existing Board wins the day, Pernas will still be in a position to block the group's development in Malaysia, where nearly two-thirds of its assets are situated. And if Pernas gets its way, fairly or not Malaysia's image on the international capital market is likely to suffer. For it will have succeeded against strong opposition in getting its representatives on both sides of the negotiating table in the crucial debate about local participation in this major company's assets.

Each side seems to have cause for complaint about the other's recent behaviour. Nevertheless, it is to be hoped that pressure will be brought on them from wherever possible to reach some acceptable compromise before the poll is conducted on December 10.

Consumer durables

The rush to beat the Chancellor's measures is having a dramatic impact on the earnings of the consumer durable retailers. Dixons and Currys both report sharp increases in demand contrasting with the flatness of last autumn. The latter estimates sales value in November to be some 80 per cent. higher. But the reversal of last year's poor trading is probably most marked among

Firmer U.K. commitment on Zimbabwe deadline

BY BRIDGET BLOOM, AFRICA CORRESPONDENT — GENEVA, Nov. 23.

THE AFRICAN Nationalist Patriotic Front delegations tonight were studying new British proposals to meet their demands and fix a firm date for Rhodesia's independence as the State of Zimbabwe.

The proposals, brought back to Geneva by Mr. Ivor Richard, the conference chairman, after talks in London yesterday with Mr. Anthony Crosland, the Foreign Secretary, are understood to include a much firmer commitment to March 1, 1978, as ultimate independence date.

In particular, they are believed to commit Britain to ensuring that the processes leading to independence, including a new constitution and a General Election, are completed by that date.

Guarantees hope

Initial reaction from the Patriotic Front was that the proposals, given to the two delegations by Mr. Richard at a 40-minute meeting this afternoon, might constitute an important shift in the British position.

Two factors could still prevent the proposals forming the basis of a breakthrough in the four-week stalemated conference.

Although Mr. Richard is understood to have declared that a firm date, which could be several months earlier than the ultimate date, would be set before the conference concludes its business, the new proposals contained no reference to the Front's preferred date of December 1 next year.

Britain has apparently not said how she would guarantee completion of the necessary processes leading to independence. The African Nationalists here feel that a British presence, at least in the form of a Governor-General and staff, would be necessary to make the commitment credible.

The Front delegation, led by Mr. Joshua Nkomo and Mr. Robert Mugabe, are to meet to-morrow to formulate their reply.

Although the Front has so far remained united on the independence date issue, the present formulation, much the nearest so far to their demands, could still raise difficulties, particularly among the more hard-line members of Mr. Mugabe's delegation.

It is felt the new formula may be acceptable to the African "front-line" States, whose observers, in Geneva in force, include Sr. Joaquim Chissano, Mozambique's Foreign Minister.

Lagos hint

Observers note that the new formula is closely in line with the position taken in Lagos at the week-end by President Julius Nyerere of Tanzania and Gen. Obasanjo, Nigerian Head of State.

A decision is expected in 48 hours. If it is negative, the feeling is that Britain will propose a short adjournment of the conference in the hope that a period of reflection may bring agreement to move on to the main agenda item, formation of an interim Government.

Cabinet begins discussing terms of $3.9bn. loan

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE CABINET yesterday started discussing the terms of the $3.9bn. IMF loan sought by Britain and the broad shape of the economic measures to be announced in the middle of next month.

Mr. Denis Healey, Chancellor of the Exchequer, was able to report to his colleagues about the Treasury's talks with the IMF team now in London, which are expected to be completed within a few days.

No decisions were taken at yesterday's Cabinet meeting, and discussions will continue to-morrow. The political position is extremely fluid, with ministerial opinion shifting to and fro over the size of the possible package, and no clear lead has yet emerged.

There appears to be a general reluctance both among politicians and officials to increase unemployment further when it is already high.

But there is a view, especially among those directly concerned with the economy, that a sizeable cut in the public borrowing requirement will be necessary to satisfy international and market opinion, as much as to meet any specific IMF terms.

But ahead of the Cabinet decisions, the scale of the officials' preparatory exercise in Whitehall seems to have increased in the last few weeks, with policy changes amounting to a range of more than £2bn. now being examined.

Any suggestion of a conflict with the IMF was being played down in Whitehall yesterday. In London, there is thought to be no doubt that Britain will receive the loan, possibly after further negotiations.

A crucial question still, however, is the phasing of payments of the loan, since Britain is due to repay $1.6bn. (plus whatever is drawn this month) of the central bank standby credit on December 9.

Callaghan plea against youth officer post going to Bevan

BY RICHARD EVANS, LOBBY EDITOR

MR. JAMES CALLAGHAN yesterday intervened in the Labour Party row raging over the appointment of Mr. Andy Bevan, an avowed Trotskyite, as National Youth Officer, by urging the National Executive Committee to reconsider the decision.

In a letter to Mr. Ron Hayward, Labour Party general secretary, the Prime Minister made a last-minut attempt to raise the long-term political implications of the appointment, which has created turmoil in the party since it was made before the Blackpool conference in September.

Because of the absence of Ministers at a Cabinet meeting and some trade union representatives on other duties, the NEC agreed yesterday to postpone a decision on whether to ratify the appointment until its December meeting. But it was sressed that in the meantime the appointment of Mr. Bevan sill stands.

The prospects of the decision being overturned depend on how much pressure Mr. Callaghan can exert on NEC members in the coming few week.s On most issues there is a Left-wing majority that should ensure Mr. Bevan's ratification.

But there is no doubt about the growing anxiety of Ministers and moderate members of the NEC at the damaging effect on the Labour Party, both internal and external, such an appointment could have.

This issue, as well as the infiltration of thep arty by the far Left, is complicated by the attitude of Labour's agents.

They are furious at the *appointment of Mr. Bevan, an* outsider, in preference to one of their members who traditionally holds the post.

The agents, through their union, have threatened a policy of non co-operation if Mr. Bevan's appointment is confirmed.

In his letter, the Prime Minister told Mr. Hayward that he had received an increasing number of protests from party members in the country as well as from MPs opposing Mr. Bevan's appointment on political grounds.

He could not recall a previous appointment which raised so much opposition because of the political stance of the person concerned.

In Mr. Callaghan's opinion, staff at Transport House, as the party's civil service, had always remained politically neutral, but this might not continue if an appointment was made from an extreme wing of the party.

The NEC is clearly divided on the issue. Some members insist that because Mr. Bevan's appointment was passed by the NEC on the eve of the Blackpool conference and an attempt to refer back the decision failed, the appointment was valid.

But moderates argue that Mr. Bevan's political affiliations—*he is a member of the Militant* Group—should have been taken more into account when the appointment was made. They argue that without the active co-operation of the agents his job would be impossible.

Mr. Bevan, 24, is a member of the Newham North-East Labour Party which is attempting to unseat the sitting MP, Mr. Reg Prentice, Minister of Overseas Development.

The agents' organisation want the appointment withdrawn, the post readvertised and the selection process restarted. Negotiations with the agents will now start before the December meeting of the NEC.

Mr. Jack Ashley, MP for Stoke-on-Trent, was co-opted on to the NEC yesterday following Mr. Michael Foot's recent election as Deputy Leader.

Mr. Ashley was runner-up in the constituency section elections to the NEC. Because of his deafness the NEC agreed he could be accompanied by his wife to all meetings.

UK yards shortlisted

BY JOHN WYLES, SHIPPING CORRESPONDENT

A JOINT tender by two leading British shipbuilding companies has been shortlisted for a £200m. order from Nigeria for 19 general cargo ships.

The two companies, Sunderland Shipbuilders which is Government-owned, and Swan Hunter, the country's biggest private shipbuilder, are competing for the order against three Japanese companies and the South Korean firm, Hyundai. The success of their tender would make an enormous difference to the two British companies' prospects, which are deteriorating steadily because of the world-wide shortage of orders.

The ships will be ordered by the Nigerian National Shipping Line, which is expected to make a decision before Christmas. Sunderland Shipbuilders and Swan Hunter decided to make a joint tender partly because of the delivery dates sought by the Nigerians were impossible to meet from a single company.

After paring their margins, the two companies believe that prices being offered by their rivals may not be significantly lower.

However, the British cannot compete on the delivery schedules being offered by Hyundai, which is undertaking to produce a ship every 15 days. But it is now understood that the Nigerians are doubtful that they can train sufficient crews to match this pace of delivery so that this apparent Korean advantage is no longer thought so significant.

The order is for a combination of 12,000 and 16,000 deadweight ton cargo vessels. Their construction would help guarantee jobs throughout next year for the 17,000 workers employed by the two companies on the Tyne and Wear.

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Miners reject offer

made a reasonable offer. We said from the start we were sympathetic to this claim."

The NUM claim he said would mean a big loss of the labour force (the Board says a third of its 240,000 miners would go by June 1980) and a "sudden massive on-cost (the Board estimates it at £250m. a year by 1980) which would force the industry to contract at a time when it planned to expand.

The claim, if met, would also cost 10m. tons of lost output in the first year, or £200m. of revenue. The Board is already short of its production target of 120m. tons a year.

In reply, the Board has put up a scheme that would cost about £9.5m. in the first year rising to £15.5m. by 1979-80. This is the cost of making up the wages of miners retired early to a level comparable with the redundancy scheme, which works out at 90 per cent. of net take-home pay for the three years it runs. Even this sum the Coal Board wants Government help with.

The real sticking point in the short negotiations yesterday appeared to be the NCB's insistence on the 25-year qualifying period for early retirement. Mr. Gormley said 10 years was the period for the redundancy scheme and for the ordinary pension. Other countries offered much better terms. But Sir Derek said early retirement was quite different, and pointed to comparable figures for Belgium and West Germany.

Fight inflation call by OECD

BY ROBERT MAUTHNER — PARIS, Nov. 23.

THE WEAKER industrialised countries, such as Britain, Italy and France were advised here to-day to continue to concentrate on reducing inflation and balancing their payments, and refrain from reflationary action for the moment, in spite of the slowing of world economic recovery.

This was the consensus at a two-day meeting of the OECD Economic Policy Committee, made up of high Treasury officials from the member-countries, in which a clear distinction was made between policies to be adopted by the stronger and the weaker members of the organisation.

It was generally agreed that the strong countries, such as the U.S., West Germany and Japan, which had already made considerable progress in their fight against inflation, should stick to their present growth paths, more or less in line with medium-term targets set by the OECD Secretariat in July.

Whether this will entail new reflationary measures is still a matter of some dispute, since some of the Governments' and OECD Secretariat projections differ. The Bonn Government forecasts a 5 per cent. growth rate next year, while the Secretariat thinks no more than 3.5 per cent.

Sir Douglas Allen, the British chairman of the Economic Policy Committee, made it clear that the Germans and others had indicated that they would not hesitate to reflate if the OECD turned out right in its less optimistic predictions.

The position of the U.S., whose economy is expected to grow by about 5 per cent. next year compared with 6 per cent. in 1976, was not entirely clear because of the uncertainty surrounding the policies which Mr. Jimmy Carter, the new President, is going to adopt.

Though Mr. Alan Greenspan, chairman of President Ford's Council of Economic Advisers, apparently gave an assurance that the policy of the new American Government would be in line with current U.S. policy and OECD projections, some other delegates felt Mr. Carter would aim for higher growth and take early reflationary action.

If he does this would certainly please the weaker countries, some of which were unhappy at the fact that the OECD is not advocating much more expansionary policies in the U.S. and West Germany, in spite of the fact that a recession appears in the offing.

Continued from Page 1

West Germany

casts an average of 850,000 in 1977.

Second, the five wise men are reported to have proposed a two-and-a-half-fold increase in the rate of depreciation allowed to business and also measures to make it easier to start companies in West Germany.

All these steps together would cost an estimated DM3bn., a sum which the panel's report assumes can be met if the controversial increase in value added tax from 11 to 13 per cent. goes ahead in July. Even if VAT is raised—a political nettle which has not been grasped in Bonn—the five wise men expect an increase of only 4-4.5 per cent. in retail prices next year.

Weather

U.K. TO-DAY

MOSTLY dry but cloudy. Some rain in the North.

London, E. Anglia, E., S.E. and Cent. England, E. Midlands

Cloudy, mostly dry. Some bright spells. Wind W., light or moderate. Max. 9C (48F).

W. Midlands, N.W. and S.W. England, Channel Is., I. of Man, Wales, N. Ireland

Mostly dry, rather cloudy. Wind W., moderate or fresh. Max. 9C (48F).

Lakes, N.E. England, Borders, S.W. Scotland, Glasgow, Argyll

Rather cloudy, rain in places. Wind W., moderate or fresh. Max. 9C (48F).

Rest of Scotland

Cloudy, rain at times. Wind W., moderate. Max. 8C (46F).

Outlook: Showers or rain.

Lighting-up: London 16.30, Manchester 16.29, Glasgow 16.26, Belfast 16.39.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	S	23	73	Manchstr.	C	5	41
Amstrdm.	R	4	39	Melbourne	R	14	57
Athens	C	16	61	Mexico C.	S	16	61
Barcelona	S	11	52	Milan	F	8	46
Belfast	F	7	45	Montreal	C	1	34
Belgrade	[illegible]	[illegible]	[illegible]	Moscow	[illegible]	[illegible]	[illegible]
Berlin	[illegible]	[illegible]	[illegible]	Munich	[illegible]	[illegible]	[illegible]
Birmghm.	[illegible]	[illegible]	[illegible]	Newcastle	[illegible]	[illegible]	[illegible]
Bristol	[illegible]	[illegible]	[illegible]	New York	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	Oslo	[illegible]	[illegible]	[illegible]
Budapest	[illegible]	[illegible]	[illegible]	Paris	[illegible]	[illegible]	[illegible]
B. Aires	[illegible]	[illegible]	[illegible]	Perth	[illegible]	[illegible]	[illegible]
Cairo	[illegible]	[illegible]	[illegible]	Prague	[illegible]	[illegible]	[illegible]
Cardiff	[illegible]	[illegible]	[illegible]	Reykjavik	[illegible]	[illegible]	[illegible]
Cologne	[illegible]	[illegible]	[illegible]	Rio de J'o	[illegible]	[illegible]	[illegible]
Copnhagn.	[illegible]	[illegible]	[illegible]	Rome	[illegible]	[illegible]	[illegible]
Dublin	[illegible]	[illegible]	[illegible]	Singapore	[illegible]	[illegible]	[illegible]
Edinb'rgh	[illegible]	[illegible]	[illegible]	Stockholm	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]	Strasb'rg	[illegible]	[illegible]	[illegible]
Geneva	[illegible]	[illegible]	[illegible]	Sydney	[illegible]	[illegible]	[illegible]
Glasgow	[illegible]	[illegible]	[illegible]	Tehran	[illegible]	[illegible]	[illegible]
Helsinki	[illegible]	[illegible]	[illegible]	Tel Aviv	[illegible]	[illegible]	[illegible]
Hong Kong	[illegible]	[illegible]	[illegible]	Tokyo	[illegible]	[illegible]	[illegible]
Jo'burg	[illegible]	[illegible]	[illegible]	Toronto	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]	Vienna	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	Warsaw	[illegible]	[illegible]	[illegible]
Luxemb'g	[illegible]	[illegible]	[illegible]	Zurich	[illegible]	[illegible]	[illegible]
Madrid	[illegible]	[illegible]	[illegible]				

HOLIDAY RESORTS

Ajaccio	[illegible]	[illegible]	[illegible]	Jersey	[illegible]	[illegible]	[illegible]
Algiers	[illegible]	[illegible]	[illegible]	Las Plms.	[illegible]	[illegible]	[illegible]
Biarritz	[illegible]	[illegible]	[illegible]	Locarno	[illegible]	[illegible]	[illegible]
Blackpool	[illegible]	[illegible]	[illegible]	Majorca	[illegible]	[illegible]	[illegible]
Bordeaux	[illegible]	[illegible]	[illegible]	Malaga	[illegible]	[illegible]	[illegible]
Boulogne	[illegible]	[illegible]	[illegible]	Malta	[illegible]	[illegible]	[illegible]
Casablnca.	[illegible]	[illegible]	[illegible]	Nairobi	[illegible]	[illegible]	[illegible]
Cape Town	[illegible]	[illegible]	[illegible]	Naples	[illegible]	[illegible]	[illegible]
Corfu	[illegible]	[illegible]	[illegible]	Nice	[illegible]	[illegible]	[illegible]
Dubrovnik	[illegible]	[illegible]	[illegible]	Nicosia	[illegible]	[illegible]	[illegible]
Faro	[illegible]	[illegible]	[illegible]	Oporto	[illegible]	[illegible]	[illegible]
Funchal	[illegible]	[illegible]	[illegible]	Rhodes	[illegible]	[illegible]	[illegible]
Gibraltar	[illegible]	[illegible]	[illegible]	Salzburg	[illegible]	[illegible]	[illegible]
Guernsey	[illegible]	[illegible]	[illegible]	Tangier	[illegible]	[illegible]	[illegible]
Innsbruck	[illegible]	[illegible]	[illegible]	Tenerife	[illegible]	[illegible]	[illegible]
Inverness	[illegible]	[illegible]	[illegible]	Tunis	[illegible]	[illegible]	[illegible]
Isle of Man	[illegible]	[illegible]	[illegible]	Valencia	[illegible]	[illegible]	[illegible]
Istanbul	[illegible]	[illegible]	[illegible]	Venice	[illegible]	[illegible]	[illegible]

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow. T—Thunderstorm.

مكتبة الأصل 150